

# Purchasing Week

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\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

## What Sunk Cranberries Could Sink You, Too

### Commerce Dept. Top Economist Predicts Heavy Inventory Rise

Washington — Government economists flatly forecast a whopping big pickup in inventory purchases starting early next year as the economy gathers fresh steam following resumption of steel production.

The government officials have been uncertain about the inventory outlook the past few months because of the dislocations and uncertainties to the economy posed by the steel strike. But Administration experts have cast off their caution and now predict the long-anticipated inventory buildup to start next year—and with a rush.

Louis Paradiso, the Commerce Department's chief business economist, forecasts a "really huge demand" for industrial purchases next year. The demand will be so great, in fact, that it will put critical pressures on the whole economy, according to Paradiso.

Paradiso and other government and private economists issued their predictions last week at the Agriculture Department's annual economic outlook conference. This conference is closely watched every year because it provides a public airing of the thinking of the Administration on business prospects for the year ahead.

The economists were cautiously bullish about the outlook for the general economy next year. They agreed that it would be an "exceedingly prosperous year," but not one of boom proportions in the sense of showing the same rate of advance as when the economy was rising following the recession last year.

Most of the experts agreed (Turn to page 46, column 3)

### Strike Aftermath?

Hundreds of manufacturers have given Purchasing Week a comprehensive rundown on how the steel strike has affected their over-all inventory planning, prices, and supply lines. Their replies to a nationwide survey provide a vital look-ahead to the probable course of purchasing operations and business trends. Watch for this story—Nov. 30.

### Automatic Plant Feeding Shaves Costs, Quickens The Pace of Lunch Hours

Lynchburg, Va.—When the lunch whistle blows at General Electric Co.'s new rectifier plant here, a shop boss is likely to jingle his pockets and quip to his hungry crew of workers: "Get your nickels ready for the automat, boys."

Similar remarks are also part of the daily commentary at G.E.'s specialty controls plant in Waynesboro, Va.; Kaiser Fleetwing, Inc.'s facilities in Bristol, Pa.; the Babcock & Wilcox nuclear products plant also in Lynchburg, and at numerous other plant sites around the country.

The reason: these are among the hundreds of industrial plants in the country currently employing a wide variety of vending machines in plant feeding operations.

If you ask vending machine makers and dealers, they'll tell (Turn to page 31, column 1)

### Stern Reminders For Those Who Purchase Ticklish Materials:

• Three Cooper-Bessemer engineers killed by gas explosion. Suppliers said to have mistakenly put oxygen in nitrogen gas bottles. \$240,000 in suits.

• Cotton grower sues Du Pont because weed killer allegedly damaged his crop. Local spraying company a co-defendant. \$188,000 in suits.

• Major toilet goods manufacturer withdraws new shampoo from market after it has reached stores. An ingredient caused eye irritation. Thousands of dollars lost on advertising, promotion, damages.

These costs are small berries compared with the \$55 to \$60-million cranberry crop that may go down the drain. But the point is that industrial purchasing agents are just as ripe for a shock as were cranberry growers.

The forward-looking purchasing manager knows that the real cost of an error isn't the dollars awarded to the plaintiff by a jury.

The real cost is in the damage done to his company's reputation in the public eye, one slip can set the company back years, or shake a million dollars worth of public confidence.

In food situations like the cranberry case, the burden will be on purchasing men to make sure that food and packaging materials they purchase contain only those chemicals and additives certified safe by the U. S. Government Food & Drug Administration. This is a problem of obeying the law.

But in other industries, manufacturers are held responsible by the courts for civil damage suits brought by customers who claim (Turn to page 45, column 3)

### Experts Foresee Copper Peace, But Price May Bolt to 35¢ Lb.

#### Hazel's Had It

Yorkshire, England — The man who uses a hazel twig to find water better take a back-seat to science. A new device reveals the underground whereabouts of metallic and other objects (pipes, drains, etc.)—up to a depth of 200 ft.

The instrument, known as the "Revealer," consists of two cylindrical copper handles, each with a pivoted 21-in. indicating rod. The two rods swing towards each other when the operator moves over a buried object.

New York—"Copper strikes will be settled reasonably soon—well before Christmas. But prices may go to 35¢ a lb. before we are out of this mess."

So says a leading copper spokesman when asked to comment on the current outlook for the red metal. And that was the general feeling throughout the industry—based on an informal PURCHASING WEEK survey of the industry's top brass.

The consensus indicates:

• **Copper prices**—While product and smelter tags may rise a bit more—say to 35¢ a lb.—merchant or dealer quotes will continue to ease from their super-high levels (see chart, p. 45). However, all prices will remain above the pre-strike levels in the foreseeable future.

• **Product prices**—Rise in copper quotes has already pushed up copper and brass mill products about ¾¢ a lb. Future boosts are possible if the raw metal goes up to expected 35¢ level.

• **Current supplies**—Sources of the raw metal are drying up fast. But wire mills are just beginning to feel the pinch—thanks to huge pre-strike fabricator stockpiles.

• **New supplies**—It will be at least 10 days after the strike is settled before copper from struck refineries begins to flow. It will take somewhat longer till users get adequate supplies.

• **Delivery schedules**—One (Turn to page 46, column 1)

### State Buyers Set Same-Bid Attack

Las Vegas, Nev.—State purchasing officials are mobilizing for an all-out attack on identical bidding—with strong backing from the Justice Department.

This move received major attention at the annual meeting of the National Association of State Purchasing Officials here last week.

Heartened by recent antitrust actions against electrical equipment manufacturers, Salk vaccine producers, asphalt suppliers, and others, state P.A.'s now are bent on weeding the identical bid-bug out of an even broader list of products.

C. L. Magnuson, state P.A. for (Turn to page 46, column 1)

#### This Week's

## Purchasing Perspective

NOV. 23-29

The quick comeback in steel output fanned industrial and business morale last week—despite production hangovers from the steel strike.

Business forecasters had a field day issuing rosy predictions for the zooming course of the economy during 1960. The big "if" in every outlook, of course, was the hinge to a contract settlement in steel before the Taft-Hartley injunction period expires next Jan. 26.

There was even optimism on that score—although some observers called it wishful thinking. Nevertheless, hopes rose for a peaceful settlement in steel and in copper as well.

There was also speculation—and from good authority—that even in event negotiators fail to beat the Taft-Hartley deadline, the union might delay its scheduled new strike call.

Who wants to strike through the winter?

Don't be misled by the spectacular recovery in steel ingot production—scheduled to hit around the 90% mark by this week. Finished shipments are still a big step behind and won't catch up for several more weeks, especially in the high grade varieties of steel products.

(Turn to page 45, column 1)

## P/W PANORAMA

• **Healthy Scrap Piles**, accumulated during the steel strike, plus union rejection of new wage offer, are sending scrap prices down drastically. For more angles and background information, see p. 3.

• **Dear Santa Claus**: Please give me better service and forget the ballpoint pens. That's what P.A.'s are telling vendors more than ever this year. A survey on p. 26 gives the details of this ticklish situation.

• **It's a "Bolt"** if it's got a nut, and a "screw" when it hasn't, in the new, simplified Russell, Burdsall & Ward fastener terminology. Prices, too, have been streamlined to be more understandable. (More on p. 7.)

• **Tire Retreading** is making an even stronger bid for acceptance with the help of some new materials and techniques. (Pictures on pp. 24-25, article on p. 43.)

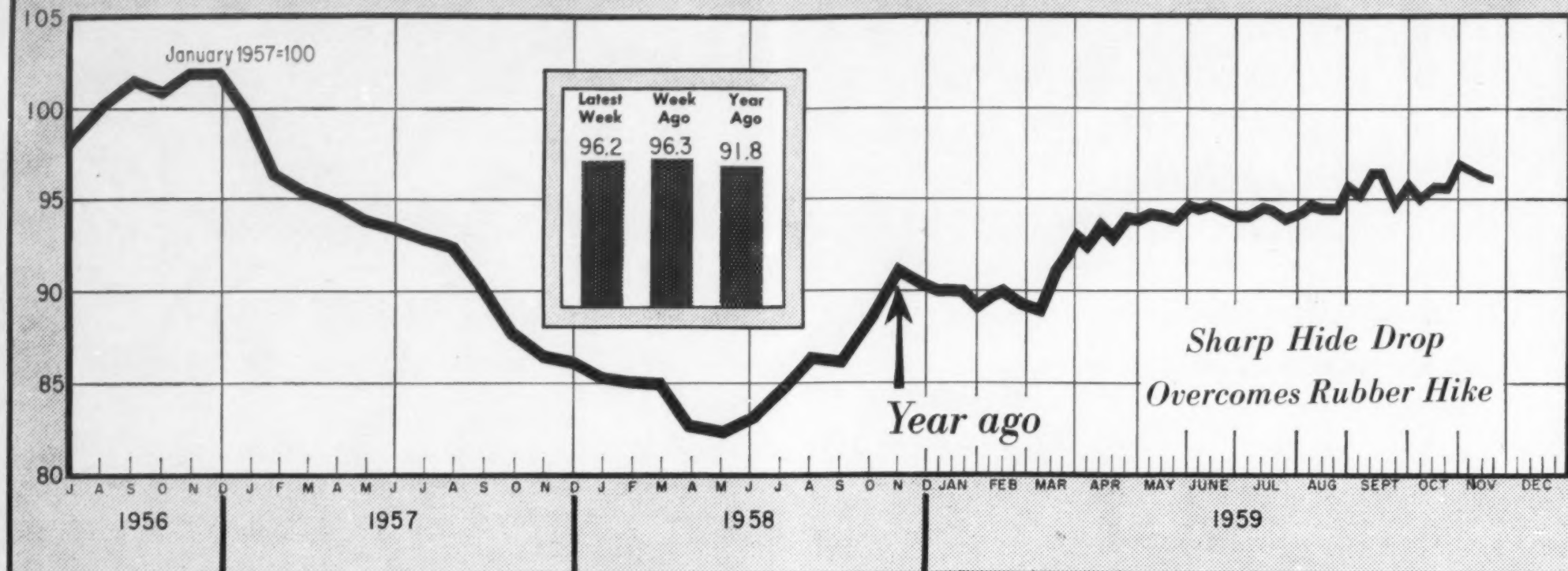
• **Four Pan-America P.A.'s** are the braintrust that keep Cape Canaveral's missiles and rockets—and the men who fire them—in tiptop shape. It's an out-of-this-world job, as the P.W. report on page 12 shows.



PACKAGING succumbs to automation as filled boxes roll off the line. For additional details see Packaging Shew story, p. 45.

## Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



## This Week's Commodity Prices

### METALS

	Nov. 18	Nov. 11	Year Ago	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton	46.00	46.00	43.00	+ 7.0
Steel scrap, #1 heavy, del. Cleve., gross ton	41.00	41.00	40.00	+ 2.5

Steel scrap, #1 heavy, del. Chicago, gross ton	44.00	45.00	43.00	+ 2.3
Aluminum, pig, lb	.247	.247	.247	0
Secondary aluminum, #380 lb	.238	.238	.218	+ 9.2
Copper, electrolytic, wire bars, refinery, lb	.347	.346	.286	+20.9
Copper scrap, #2, smelters price, lb	.258	.27	.24	+ 7.5
Lead, common, N.Y., lb	.13	.13	.13	0
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.74	0
Tin, Straits, N.Y., lb	1.013	1.018	.995	+ 1.8
Zinc, Prime West, East St. Louis, lb	.125	.125	.115	+ 8.7

### FUELS†

Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla. tank cars, gal	.05	.05	.05	0
Gasoline, 91 oct. reg., Chicago, tank car, gal	.115	.115	.113	+ 1.8
Gasoline, 84 oct. reg., Los Angeles, rack, gal	.117	.117	.113	+ 3.5
Kerosene, Gulf, Cargoes, gal	.086	.086	.091	- 5.5
Heating oil #2, Chicago, bulk, gal	.094	.091	.091	+ 3.3

### CHEMICALS

Ammonia, anhydrous, refrigeration, tanks, ton	88.50	88.50	86.50	+ 2.3
Benzene, petroleum, tanks, Houston, gal	.31	.31	.31	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb	.193	.193	.195	- 1.0
Glycerine, synthetic, tanks, lb	.293	.293	.278	+ 5.4
Linseed oil, raw, in drums, carlots, lb	.180	.180	.165	+ 9.1
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, fob N.Y. cwt	11.75	11.50	9.60	+22.4
Shellac, T.N., N.Y. lb	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.065	.064	.083	-21.7
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0

### PAPER

Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt	17.20	17.20	17.00	+ 1.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt	25.20	25.20	24.20	+ 4.1
Chipboard, del. N.Y., carlots, ton	95.00	95.00	100.00	- 5.0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.25	9.25	9.00	+ 2.8
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.30	6.30	6.40	- 1.6
Old corrugated boxes, dealers, Chicago, ton	19.00	19.00	23.00	-17.4

### BUILDING MATERIALS‡

Cement, Portland, bulk carlots, fob New Orleans, bbl	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl	4.18	4.18	4.14	+ 1.0
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm	124.00	125.00	120.00	+ 3.3
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm	138.00	138.00	129.00	+ 7.0
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm	108.00	108.00	109.00	- .9

### TEXTILES

Burlap, 10 oz, 40", N.Y., yd	.102	.103	.11	- 7.4
Cotton middling, 1", N.Y., lb	.329	.327	.362	- 9.1
Printcloth, 39", 80x80, N.Y., spot, yd	.218	.218	.180	+21.1
Rayon twill 40 1/2", 92x62, N.Y., yd	.24	.25	.22	+ 9.1
Wool tops, N.Y., lb	1.585	1.58	1.51	+ 5.0

### HIDES AND RUBBER

Hides, cow, light native, packers, Chicago, lb.	.185	.205	.20	- 7.5
Rubber, #1 std ribbed smoked sheets, N.Y., lb.	.475	.438	.320	+48.4

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

## Price Perspective

NOVEMBER 23-29

**Metals continue to hold the commodity spotlight.**

Buyers of steel, steel scrap, copper, tin, zinc—and the wide variety of products made from these metals—all face supply and/or price problems in the next few months.

(See page 1 for detailed outlook on two of these—scrap and copper.)

Even aluminum isn't immune. True, there's little danger of a work stoppage here—but that isn't the whole story. Aluminum labor costs are almost a sure bet to go up once the metal strike situation clears. And it's only one small step from higher labor costs to higher prices.

Thus no matter where you turn, the price question pops up: **How big a boost can we expect in metals and metal products over the next few months?**

The answer depends on a variety of factors.

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**LABOR PRESSURE**, of course, heads the list.

Labor can affect prices through two separate routes—via strike-induced supply shortages and via higher costs.

Shortages already have pushed up prices of dealer copper from about 30¢ a lb. to near 40¢ a lb. Zinc is up 14% over the same period.

And purchasing executives tell us that they are paying up to 40% above posted prices to get urgently needed grey market steel.

But shortages are only a temporary phenomenon and will disappear with resumption of production and the refilling of pipelines.

Higher labor costs, however, are of longer-run and more lasting importance. **They're a major element in any price decision—particularly in steel where the cost-price gap plays a key role in determining where prices are finally set.**

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**PRICE REPERCUSSIONS** also must be considered when evaluating the current and projected strength in metal tags.

A rise in metal quotes can influence the general wholesale price level in many different ways.

**1. Via pass throughs**—Higher metal costs could mean higher auto and machinery prices over the next few months.

**2. Via higher labor costs**—Many unions are marking time now, waiting for the bellwether metal unions to settle. What steelworkers get, millions of other workers will ask for and probably get.

**3. Inflation psychology**—Higher metal costs may provide some suppliers with just the band-wagon excuse to boost their own prices.

How great are these repercussion effects? The Joint Economic Committee estimates them at 40% of the entire wholesale inflation over the past 12 years (see p. 16).

Even if this is overestimated (as steel people say), it's still a force to be reckoned with in 1960.

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**BEARISH METAL FORCES**, however, also will play a role in coming months. **They'll keep prices from getting out of hand.**

• **Productive capacity**—There's more than ample capacity to meet all needs once production hits full speed again. That goes for every single one of the major metals—steel, copper, aluminum, zinc, lead, etc.

• **Public opinion**—There's growing pressure to stem the inflationary tide. Election year politics will intensify this pressure, tend to make any indiscriminate price boosts extremely hazardous.

• **Imports**—Many foreign suppliers got a firm toehold in the U. S. market over the past few months. Aided by increasing productivity and capacity, they'll be ready and willing to step in if domestic prices soar.

# Scrap Tags Vacillate as Ice Slows Ore Supply

**Pittsburgh** — Iron ore-laden freighters battled freezing November gales and ice on the Great Lakes last week, slowing the steel mills' race to build up vital winter supplies.

At the same time, steel scrap dealers and steelmakers engaged in a tug-of-war that made scrap prices skittish.

All-out efforts of steel mills to build up production during the Taft-Hartley injunction period and replenish ore piles to last out the winter lakes' freezeup focused major attention on scrap prices. But at mid-week, there was little indication of any sharp price swing—either up or down.

## Too Equally Balanced

For the time being at least, scrap supply and demand appeared just too equally balanced to permit wide gyrations. Immediate outlook is that the bears will fight the bulls to a draw.

The situation is different from that prevailing in 1956 when tags soared up to \$66/ton for No. 1 heavy melting grade.

Last week's \$46 a ton for the No. 1 heavy melting grade (Pittsburgh) was pretty much in line with current market conditions—though some sporadic upward and down variation is likely.

To get a full picture on what's happening today you have to evaluate both the pluses and minuses. On the plus side you've got to consider:

- The curtailment of the flow of industrial scrap during the recent work stoppage.

- The trend toward capacity steel production.

- Substitution of scrap for molten iron smelted from ore as mills strive to make steel fast. They'll also use more scrap than usual because they'll operate at near-capacity.

But here are the elements against run-away prices:

- Most strikebound steel producers made quiet buys during the strike from time to time, and also arranged to lay down scrap outside mill gates.

- Steel mills are determined to resist the high prices now quoted by the scrap yards.

- Still another brake on the scrap market in the immediate future is that steel companies will lean over backward to convert inventories into cash, in an effort to show as good a cash position as possible at year-end.

- Finally, supplies are generally ample.

It is roughly estimated that U. S. manufacturers and fabricators have generated at least 6 million tons of scrap iron and steel since July 15, but that not more than 3 million tons have been consumed and exported.

During the strike, mills representing about 50% of tool and die steel and 40% of stainless steel capacity continued in operation. So did most iron and steel foundries.

So it would be a good guess that "low phos" consumption has been at least half of normal over the past four months. But it's also a fair assumption that more

scrap of this kind was generated than was consumed.

The picture is even brighter for open-hearth scrap supply.

The generation of such scrap almost certainly topped consumption by a large margin, since total steel output during the strike fell to only about 14% of capacity.

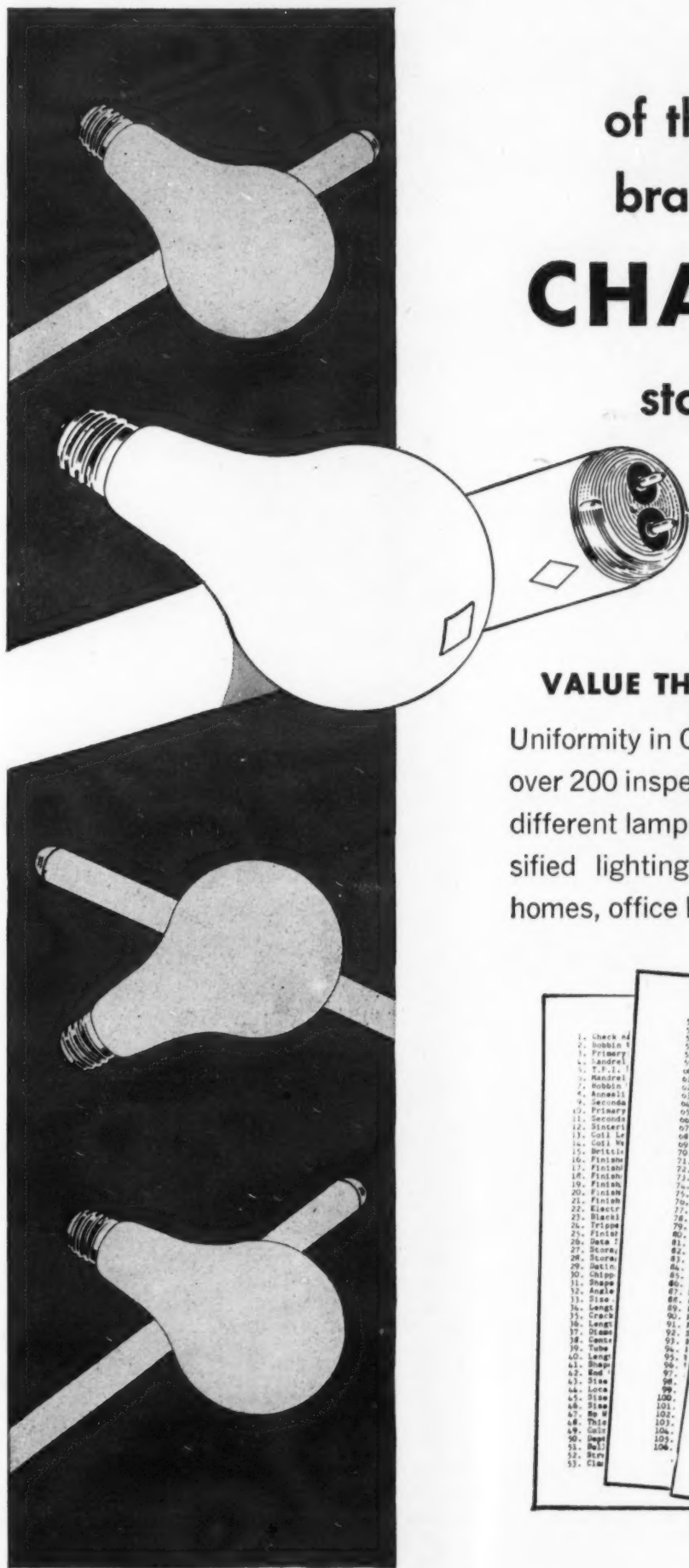
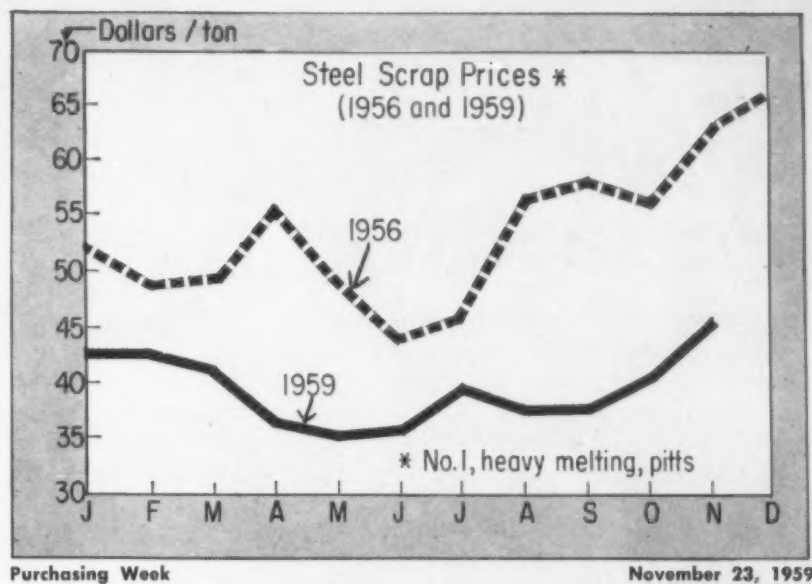
Much of the "overhanging" supply of scrap undoubtedly is in strong hands, and won't be released suddenly.

But there's plenty of scrap available—at a price.

Observers in the Pittsburgh district and other steel centers report that major brokers and dealers have yards piled high with all kinds of scrap.

In anticipating higher prices, many brokers count heavily on a sustained demand not only during the balance of 1959 but also during the first three or four months of 1960.

But there's a major element of uncertainty—will the strike resume after 80 days? Pending a genuine settlement, scrap buyers may be cautious.



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**CHAMPION LAMP WORKS, Lynn, Massachusetts**

# Washington Perspective

NOV. 23-29

Government procurement officers will pass a milestone in 1960.

For the first time, purchases of goods and services by governments—federal, state, and local—are estimated to total \$100 billion.

It's a significant start to the decade of the "golden 60's," a 10-year span expected to see a major expansion in U. S. activities in all lines.

Purchases at the state and local levels are predicted to rise to about \$46 billion. At the federal level, procurement is expected to stabilize at about \$54 billion.

Big areas of purchases will go for defense (\$41 billion); construction (\$17 billion); education (\$11 billion).

Growing reliance on space and missile weapons produces a significant shift in Pentagon contracting, leads to tighter controls on defense contractors in their procurement, preparation of specs, subcontracting and so on.

The trend shows up in recent contract awards for the Dyna-Soar manned space glider and for the air launched ballistic missile (A.L.B.M.). The new controls procedures have been confined to development projects for the Air Force so far.

But the new contracting rules could be extended to other services, other programs.

Until now, management of new development projects has been concentrated for the most part in the hands of the prime contractor.

The Air Force now takes over this responsibility in the Dyna-Soar project through its air development division at Wright Air Force Base.

Two companies—Boeing and Martin—had been competing for the Dyna-Soar awards in the role of prime contractors. Both had headed up teams of subcontractors to which they planned to farm out work if they were successful in securing the contract.

The Air Force took the unusual step of awarding two prime contracts—one to Boeing for the vehicle, the other to Martin for the rocket launcher.

And both firms have been ordered to pick subcontractors on "a competitive basis regardless of previous working relations" with teams they had headed.

Administration hopes for balancing this year's budget as an anti-inflation move have just about collapsed.

Officials now are concentrating more than ever on producing a black ink budget next year, the last budget President Eisenhower will take a hand in carrying out.

Officials have roughed out an \$81 billion budget for fiscal 1961, an increase of about \$2 billion over the current budget.

But the Administration is more confident than it has been in several years of producing a surplus in 1961. Administration economists forecast a high level of business activity through fiscal 1961 that will produce tax revenues of some \$1 billion to \$2 billion above planned expenditures.

The steel strike was a major blow to Eisenhower's hopes for balancing this year's budget. Production cutbacks in many lines reduced corporate profits and hence government tax revenues.

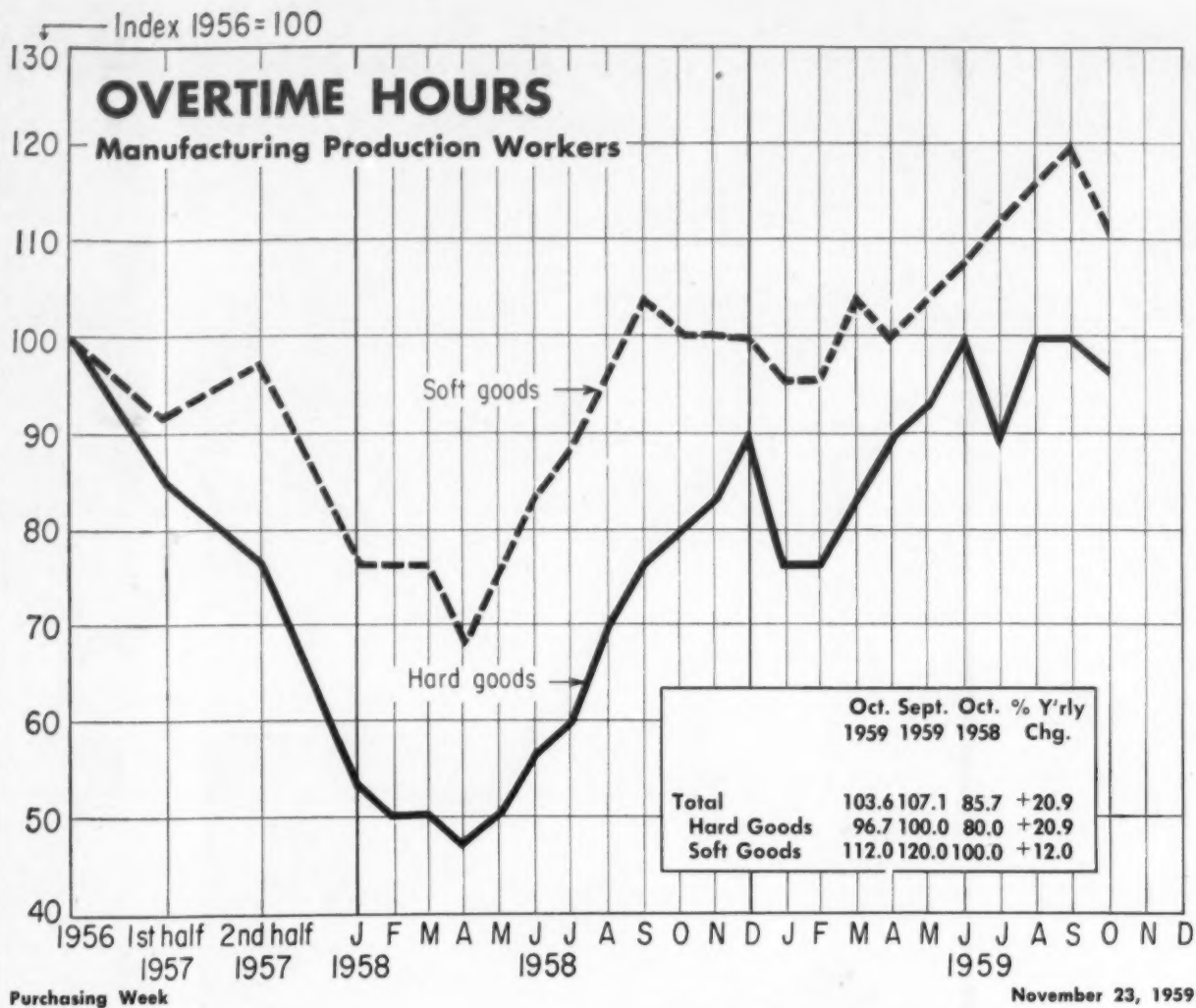
But even before that, new spending pressures unlooked for even a few months ago threatened the precariously balanced budget.

Officials haven't completely ruled out chances for salvaging a balanced budget this year, but they admit "we don't see much to take encouragement from."

## Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,233	1,291*	2,000
Autos, units	64,668	63,451*	117,688
Trucks, units	13,144	13,725*	23,697
Crude runs, thous bbl, daily aver	7,892	7,681	7,755
Distillate fuel oil, thous bbl	12,154	12,083	12,798
Residual fuel oil, thous bbl	5,992	6,086	6,744
Gasoline, thous bbl	27,839	27,575	28,095
Petroleum refineries operating rate, %	81.3	79.2	80.8
Container board, tons	174,702	168,119	162,533
Boxboard, tons	157,137	151,358	150,840
Paper operating rate, %	92.4	97.7*	92.3
Lumber, thous of board ft	246,828	256,037	242,235
Bituminous coal, daily aver thous tons	1,256	1,323*	1,483
Electric power, million kilowatt hours	13,270	13,019	12,378
Eng const awards, mil \$ Eng News-Rec	444.3	444.3	243.0

\* Revised



## Overtime Dips—But Only 3.3%

New York—Latest reading of the sensitive PURCHASING WEEK overtime hours index shows a drop for the first time since July. But the small—3.3%—month-to-month slip wasn't enough to prevent October from topping year-ago levels by a respectable 21%.

Three factors worked to bring about the decline:

- The steel strike.
- Unusually mild weather.
- Slowing construction activity.

Most of the slippage came in the soft goods sector, where the volatile rubber industry continues to feel the effects of the steel strike through lower automobile production. The same indirect effect is partly to blame for slowing down in textile mill products, where forward orders for auto fabrics are down.

The rest of the blame, in the otherwise booming textile industry, lies in a temporary reversal of the surging demand from apparel manufacturers. Here the warm fall weather was responsible, dropping overtime employment sharply in the manufacture of new-season apparel.

In the durable goods area falling construction activity was reflected in less overtime in furniture and lumber.

But the steel and other metal strikes had a reverse effect on work in primary metals and fabricated metal products. While employment fell off, overtime hours among those employed continued to gain, pushed by short supply and champing business demand.

Despite the on-balance decline, the index points to a still healthy business picture. That can be seen from the substantial gains from year-ago levels—in hard goods (21%) and soft goods (12%).

It's also significant that not a single industry showed a drop in overtime hours from last year.

## Overtime Hours of Manufacturing Production Workers Index

Hard Goods	Sept. '59	Aug. '59	Sept. '58	% Yrly Change
Ordinance & Accessories....	82.8	72.4	82.9	0
Lumber & Wood.....	112.1	124.2	112.1	0
Furniture & Fixtures.....	114.3	117.9	107.1	+ 6.7
Stone, Clay & Glass.....	102.8	108.3	94.4	+ 8.9
Primary Metals .....	103.6	92.9	60.7	+ 70.7
Fabricated Metal Products..	116.7	113.3	86.7	+ 34.6
Non Electrical Machinery ..	73.0	75.7	48.6	+ 50.2
Electrical Machinery .....	100.0	92.3	84.6	+ 18.2
Transportation Equipment ..	86.2	93.1	69.0	+ 24.9
Instruments .....	100.0	100.0	78.3	+ 27.7
Soft Goods				
Food .....	118.2	100.0	106.1	+ 11.4
Tobacco .....	145.5	154.5	118.3	+ 23.1
Textile Mill Products.....	119.2	126.9	96.2	+ 23.9
Apparel .....	125.0	141.7	108.3	+ 15.4
Paper .....	106.5	106.5	97.8	+ 8.9
Printing & Publishing.....	106.3	100.0	84.5	+ 25.8
Chemicals .....	143.5	108.7	95.7	+ 49.9
Petroleum & Coal Products..	115.0	100.0	90.0	+ 27.8
Rubber Products .....	139.3	164.3	107.1	+ 30.1
Leather & Products.....	85.7	92.9	85.7	0

Industry breakdown is available through September only.

## Forget 'Made in America' Label, Commerce Department Official Says

New York—Purchasing men should buy the best quality at the best price, regardless of whether or not their purchase carries a "Made in America" label, a U. S. Department of Commerce official said last week.

"It's not the purchasing department's responsibility to balance the U. S. trade deficit," E. E. Schnellbacher, director of the Department of Commerce's Office of Trade Promotion told PURCHASING WEEK at the National Foreign Trade convention.

In sharp contrast to current "Buy America" trends, Schnellbacher said his department will do everything "short of subsidies to encourage buyers to purchase from abroad and expand international trade."

"The responsibility for meeting foreign competition," Schnell-

bacher declared, "lies in the company sales, not the purchasing department."

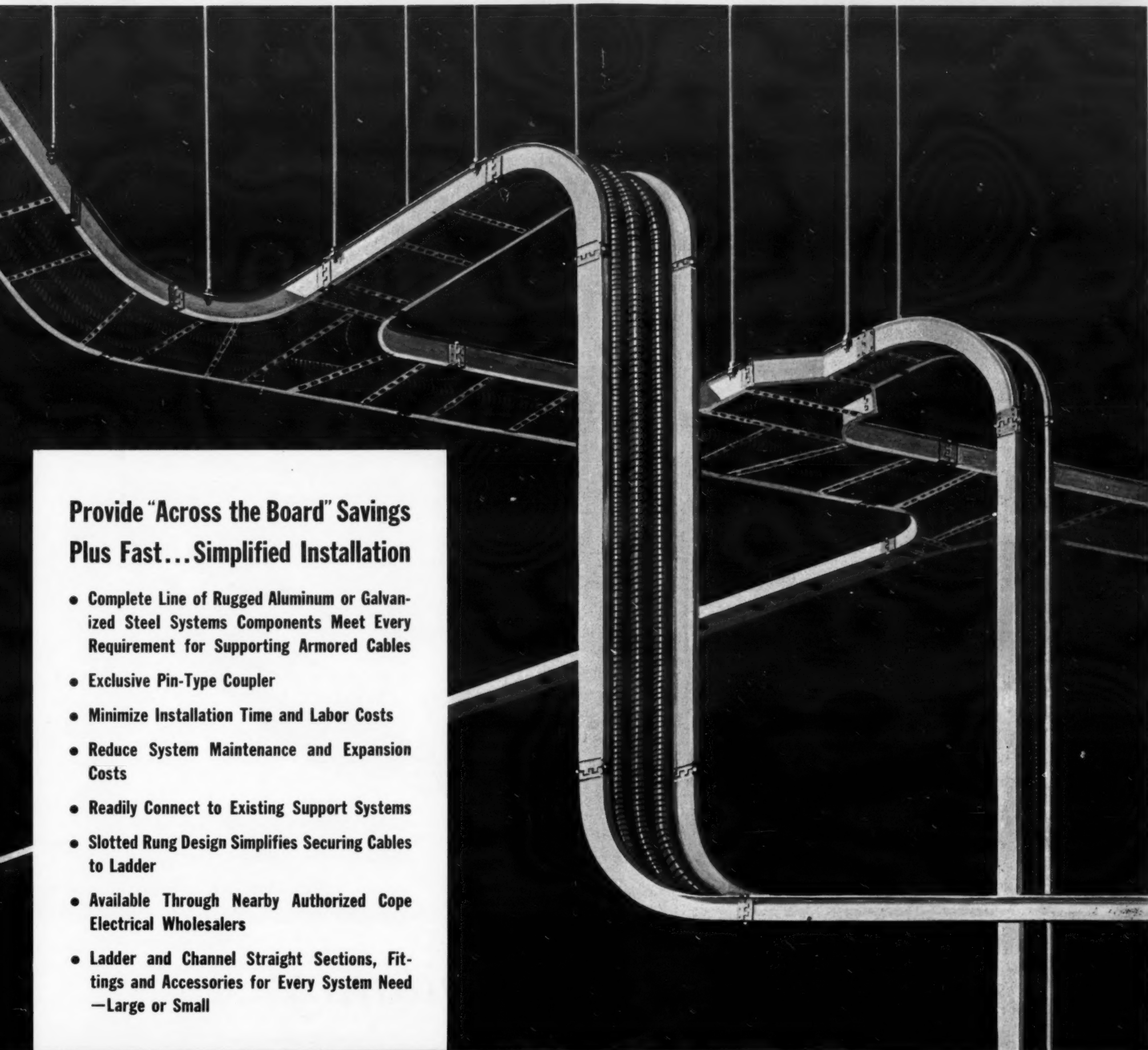
"We're flooded with requests from overseas for American goods," he explained. "The fact is our salesmen just aren't going over there and pushing their merchandise."

"But I guarantee you when enough dollars wind up in foreign banks, U. S. industry will send their salesmen abroad to bring the money back with some good hard selling."

Schnellbacher said his department would oppose any efforts to push through higher tariffs at the next session of Congress. At the same time, he added, the U. S. government will continue pressuring foreign countries to abolish restrictions on American products.

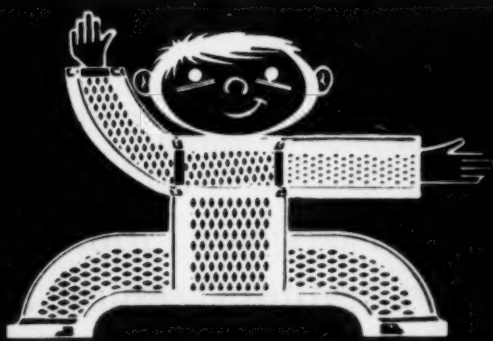
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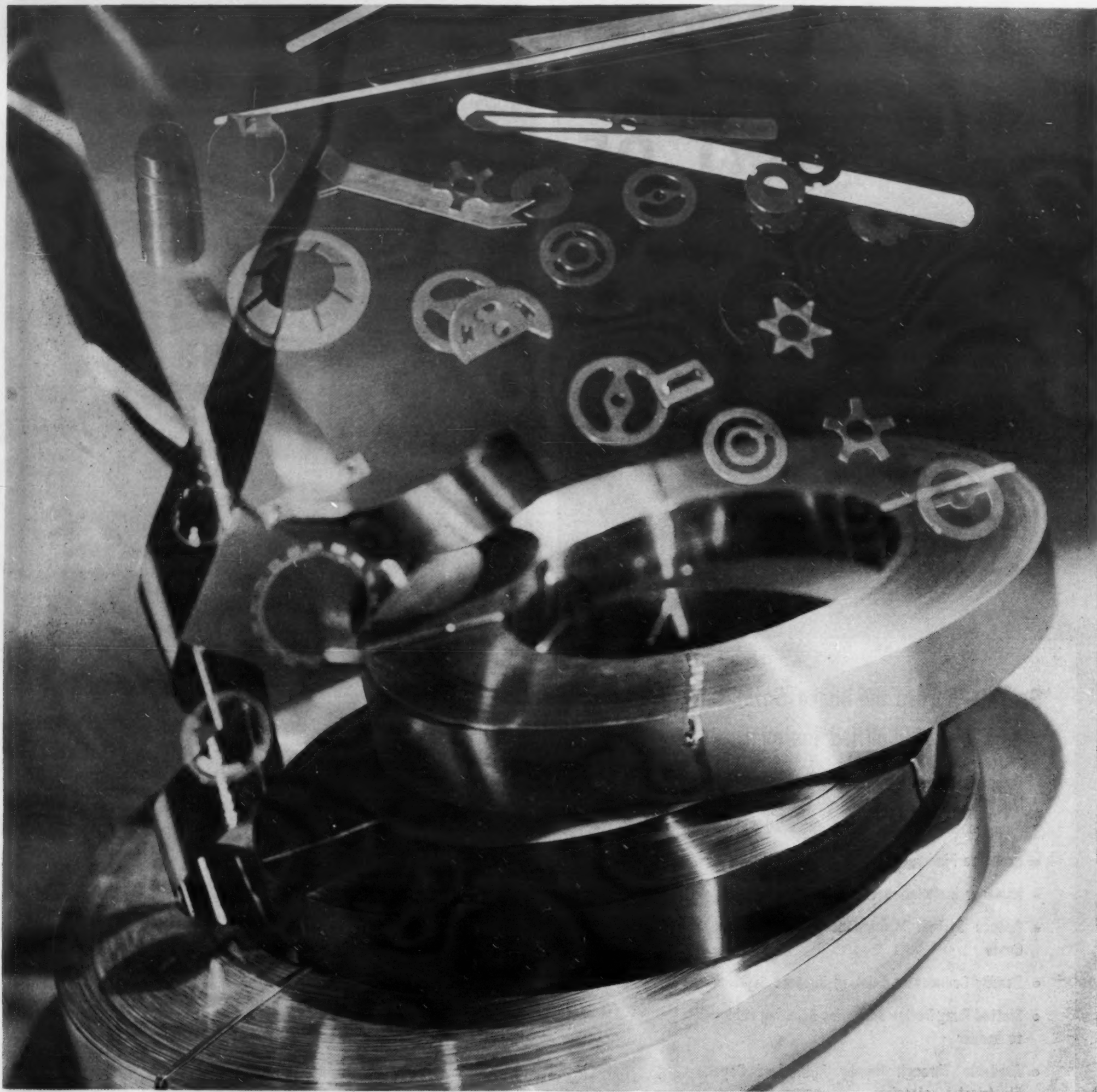
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# Nut and Bolt Firm Simplifies Pricing of Industrial Fasteners

Port Chester, N. Y.—Russell, Burdsall & Ward Bolt & Nut Co. has advanced another step in the simplification of pricing and the nomenclature of industrial fasteners.

New price lists and discounts, incorporating suggestions from customers and distributors, became effective with November shipments. The company believes it can stand on these revisions for some time to come.

Sales vice president John S. Davey said that under Russell, Burdsall & Ward's new price lists "any change can be taken care of by changing the discount." The company believes the system meets a pronounced need for "list prices having some degree of permanency so customers could figure costs accurately and so distributors might use them in their catalogs."

## Definite Meanings

Simplification of nomenclature in the new listings eliminates much that was traditional in fastener industry price lists. For instance, the term "screw" was adopted to describe a headed product finished without a nut. The term "bolt" is reserved for any product finished with a nut—whether shipped in bulk or packages.

The system also eliminates duplicate lists and name multiplicity for identical hexagon-headed products. In Russell, Burdsall & Ward nomenclature, the term "Hex Screw" means a product with a washer face and a controlled body tolerance. Eliminated are the terms Cap Screws, Finished Hex Bolts No

Nuts, Hex Heads No Nuts, and SF Hex Machine Bolt No Nut through 1"x6".

A product having no washer face and having wider body tolerances now is described as an "Unfinished Hex Screw," replacing the terms Hex Heads No Nuts larger and longer than 1"x6" and Hex Machine Bolts No Nuts.

## Hex Nuts Take Over

Because square nuts are becoming obsolete, Davey said all his company lists, except step and elevator bolts, are figured with hex nuts. Hex screws and hex nuts can be ordered packaged separately at no extra cost. Other changes included adding plated lists for popular products of zinc plated material. A new table also has been added to facilitate the pricing of bolts longer than those listed.

The new changes are an expansion of the pricing simplification program initiated by Russell, Burdsall & Ward last June when it announced a procedure using product lists with simple discounts as an improvement over previous systems which required figuring prices from one major list through a complicated system of additions and deductions before arriving at the price.

# Low Cost of New Epoxy Adhesive Permits Use in Sandwich Panels

Bloomfield, N. J.—A new room-temperature-curing epoxy adhesive, Bondmaster M685, designed for bonding metals and rigid plastics in intermediate strength "structural" applications, is priced at 30-50% less than equivalent products in the same chemical family. The new adhesive, a two-part, 100%-reactive, unextended, unfilled, undegraded formulated epoxy, is available from Rubber & Asbestos Corp.

## Low Cost Leads to New Uses

The lower cost of the new product is expected to lead to applications in sandwich panel construction.

Historically, sandwich panels used in the manufacture of structural load-bearing aircraft components have been and still are bonded with epoxy adhesives. However, the price of these higher-strength epoxies has kept them out of "civilian" applications such as room partitions, desks, floors, etc.

When phenolic-impregnated paper, pressed wood, Foamglas, and similar non-metallic core materials were used for sandwich construction, vinyl-phenolic adhesives (requiring heat and pressure) or "hot contact bonding" neoprene-based formulations were considered standard.

Now, the lower price of the adhesive may make it economically feasible for panel applications. For example, in 6-drum lots, the mixed cost of Bond-

master M685 and its hardener runs about \$7.75 per gal.

At this price, the cost per square foot of a bonded surface with a glue line 0.005-in. thick is 2.4¢.

However, were a 5-mil glue line of the conventional neoprene adhesives actually used in making a panel, the price per square foot of glued surface would be approximately 5.5¢.

In addition, epoxy formulations of this type need be applied only to one surface (either "skin" or "core" material). Accordingly, substantial time and labor savings can be expected over solvent-dispersed adhesives that must be applied to both surfaces.

## Free-Flowing Liquid

Bondmaster M685 is a free-flowing liquid, intermediate-strength, clear pale amber, two-component, modified epoxy adhesive. Mixed weight, with hardener, is approximately 9.6 lb. to the gallon. Pot life with Hardener CH-22 is approximately 60-90 min.; with Hardener CH-34, approximately 45 min., depending upon size of batch and depth of container used.

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## Two English Cable Makers Merge Amid Protests From Smaller Firms

London—The rush toward consolidation in the British cable industry gained momentum this month as two more companies, Enfield Cables, Ltd., and Standard Telephones & Cables, Ltd., merged forces.

They plan to reorganize and consolidate their power cable business into a new, jointly owned company.

The cable industry's "grab your partner" routine started last May 1, when the British Government's Monopolies and Restrictive Trade Practices Bill prompted the cable makers to drop industry-wide price fixing agreements.

Breakdown of price structures led to a wave of fierce competition between manufacturers, who, aiming at greater efficiency, started merging with each other.

The merger trend has brought sharp criticism from some quarters. Aerialite, Ltd., one of Britain's smaller cable manufacturers, has accused the newly formed giants of the industry of under-cost selling aimed at squeezing out smaller firms.

L. S. Hargreaves, chairman of the \$5.6-million company, charged the big companies, who handle 80% of available business, now are so large they can sacrifice part of their profits to "soften up" the opposition by depressing prices.

"Gassing competitors," said Hargreaves, "then readily fall victims to take-over and the big men quickly recover any losses in a less competitive market."

Hargreaves predicted, unless the British government outlaws under-cost selling, small and medium sized companies will disappear, leaving one firm or one group to run the one industry. "And," he added, "the country will really be held up to ransom."

Associated Electrical Industries, Ltd., second largest cable maker in the British Isles, however, denied under-cost price agreements. A spokesman for the company, which has shut down two of its cable factories in the last three months, said, "Any company is free to fix its prices at the most advantageous level."

## Pact Extends Credit To England, Germany For Mutual Trading

Bonn—A cooperative agreement to finance purchases of imported goods has been reached by Kundenkreditbank, Dusseldorf, and United Dominion Trust of England.

The contract, believed to be the first of its kind on an international level, will apply to imports of both capital and consumer goods.

Under the new scheme, importers or consumers who purchase English and German products may obtain credits at 6½% annual interest for periods of six to 24 months—the same terms which apply to domestic financing. Formerly, it was up to the exporter to obtain credits and/or a government guarantee on payments.

The cooperative credit accord is expected to foster Anglo-German trade, which amounted to \$671 billion in 1958. The British automobile industry, which sold 1,800 cars to Germany last year, should also prosper as a result of the agreement.

The two credit banks, each of which claim to be the largest such institution in its respective country, are reportedly negotiating similar agreements with Austrian and Dutch credit firms.

## Synthetic Fiber Output From West Germany Continues to Increase

Bonn—German production of fully-synthetic fibers rose over the first nine months of 1959 some 61.2% above the same period in 1958. Industry leaders now predict year-end production of these fibers may reach 35,000 tons.

Over-all synthetic-fiber production increased 17.2% for the same period. This includes a 12.6% jump in cellulose fiber output. Total 1959 production of synthetic is expected to hit 275,000 tons.

## British Plan Moscow Science Fair

London—Britishers are hoping to boost sales of scientific instruments to Russia by holding a specialized exhibition in Moscow, provisionally scheduled for the summer of 1960.

A three-man delegation of the Scientific Instrument Manufacturers Association (S.I.M.A.), which represents some 180 firms in the United Kingdom, is now touring Moscow at the invitation of the Chamber of Commerce there.

The delegation will prepare a report on the possibilities of an exhibition on its return. It is

stated by S.I.M.A. that 36 manufacturers in various fields covered by the association already have said they would participate in a joint show if negotiations were successful.

### See More East West Trade

A recent trade with the U.S.S.R. in the field of British-made scientific instruments had led the association to believe that "a far more substantial business could be built up." The Russians, said S.I.M.A., "like the quality and special, often unique, scope of our instruments."

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# Foreign Perspective

NOVEMBER 23-29

Paris—U. S. pressure on its European allies to get better treatment of dollar imports is paying off.

Shortly after the recent British move to do away with much of its dollar discrimination, French Finance Minister Antoine Pinay announced that all French discrimination against dollar imports will be wiped out within two years.

Pinay accompanied his pledge with further easing of quotas against dollar imports to France.

This new European attitude toward dollar goods was also discussed in Paris recently when top economic officials of O.E.E.C. and the United States met to study economic developments on both sides of the Atlantic.

**Their conclusions**—A significant disequilibrium had arisen in the international balance of payments. Over the past two and a half years Western Europe's gold and foreign exchange holdings have risen by \$4 billion. Much of this growth has been achieved at the expense of a large deficit in the United States balance.

**Possible solutions**—market forces should help to correct some of the imbalance between Western European reserves and those of the United States. However, there is clear admission that the problem won't be really solved until Western Europe begins to shed its various protective devices against dollar goods.

London—All the stops are being pulled out in an effort to keep the price of tin from rising too high too fast.

Latest move, believed to be at the behest of the International Tin Council, is the unloading of Britain's remaining stocks of the metal. Britain's final 2,500 tons of tin now are slated to be sold starting Dec. 28 through the council's buffer stock mechanism.

No one was greatly surprised by the decision. For some time Council officials have been uneasy about the way the tin price has been edging up. It's feared that the metal price may get too high and possibly spark off stateside stockpile unloading.

Additionally, tin council officials recently have been jittery about the activities of speculators on the London market. They're alleged to have been forcing the pace in the hope of cashing in on a runaway price spurt.

**Unknown factor still is the way Russia's tin export plans are shaping up.**

Soviet shipments last year, remember, forced a dramatic collapse of the Free World tin market, already weakened by

the U. S. recession. This year, the Reds have been keeping their tin exports below the limit they agreed on with the tin council of 13,500 metric tons.

**Boon**—Booming steel demand is the major reason why American purchasing men haven't been able to get as much European steel as they want.

The situation here in Germany, West Europe's largest producer, typifies the excellent sales pattern reported by the whole area.

According to the German Rolled Steel Association, steel sales reached a new high (since the recession) of 1.38 million tons in September—and probably kept up that level in October.

Orders on books have increased from 3.3 million tons at the end of last year to 4.6 million tons on July 31. They've

probably grown since because incoming orders have exceeded deliveries.

**Result:** German steel industry expects further consumption increases—even considering the usual seasonal slump during the winter months.

Beirut—The step up in trade between the "neutral" nations of the world continues unabated.

The latest involves a new long-term trade agreement between Yugoslavia and the United Arab Republic. It calls for a gradually increasing level of trade. Last year, trade exchanges between the two countries totalled nearly \$30 million.

According to the agreement, Yugoslavia will import during 1960 some 40,000 tons of Egyptian crude ore and between 60,000 and 150,000 tons of phosphates and manganese ore. Other Egyptian exports to Yugoslavia next year will include auto tires, tubes, and textiles.

Yugoslavia will repay in industrial machinery.

It's all part of a new "neutral" country trend to make themselves less dependent on the U. S. and Russia.

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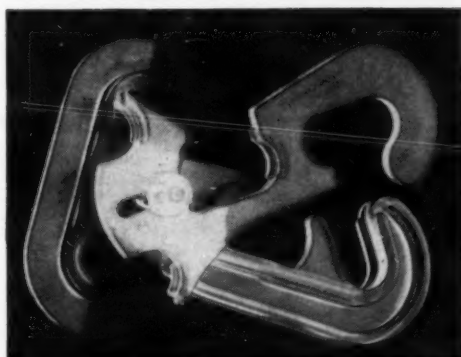
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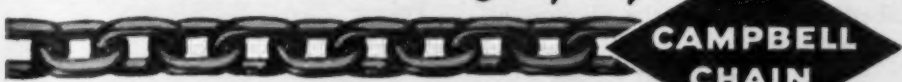
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## P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

### The Trouble with Maintenance

Purchasing managers and maintenance men have been working the same lode for years. But that's just the trouble. More often than either would like, there's been a clash of wills.

How, then, does a purchasing agent go about building rapport between the purchasing and the maintenance functions? There isn't any simple answer. But there is one thing that has worked wonders for a top rank maintenance superintendent who used to be a purchasing agent himself. Working with his P.A., he developed a workable scheme. Here's how it goes:

Every supplier salesman not only checks in with the P.A. before going on in to see the maintenance man, he also checks out after he has made his call.

"The way we're working it is that I go on down with the salesman and review with Joe (the purchasing agent) what we've been discussing in a general way, so he knows what's going on. It isn't anything like a conference. Don't get that idea. It's just an informal appraisal of what's been going on, so we can get his thinking on it too. It saves time in the long run, and Joe is the first to admit that it helps him keep up on our maintenance material and parts needs."

### No Isolated Problem

The building of better relations between purchasing and maintenance isn't just a hit-or-miss affair for maintenance men. At their 11th Annual National Plant Maintenance and Engineering Conference coming up Jan. 26 in Philadelphia, they've set aside a morning discussion session on "The Place of the Maintenance Function in Purchasing." Among the topics they'll pursue:

- What kinds of recommendations can maintenance make to purchasing?
- Under what conditions can these be "instructions"?
- How can compromises be worked out between the advantages of standardization and the necessities of reciprocity?

### Advice from a Salesman

"The customer who treats salesmen as friends and helpers—rather than outsiders to be kept at arm's length—stands to profit in today's business climate . . ."

Sound familiar? No doubt. But that doesn't make it any less true for the purchasing manager. Fact is, the man who said it most recently, Fred J. Robbins, president of the Sierra Drawn Steel Corp. of Los Angeles and Seattle, didn't let it go at that. He added four other pointers in a new brochure his company put out called "What the Salesman Expects of the Customer."

Four of his suggestions:

1. Open your plant or office to the salesman from time to time. Let him learn as much as he can about your needs.
2. Be fair and honest—just as fair and honest as you would expect a salesman to be to you.
3. Tell the salesman who disappoints you just how he fell down. A grunt or a scowl doesn't tell him anything.
4. Start interviews promptly. Do as much as you can to minimize the waiting time of salesmen visiting your office.

### What P.A.'s Are Saying . . .

. . . about personal purchasing for employees at Christmastime (see P.W., Nov. 16, p. 24):

• "You have to be careful about this sort of thing. You can't get in too deeply, or first thing you know, you'll be buying a trousseau for somebody's daughter"—Chicago purchasing agent.

• "We handle employee purchases only in very special cases. For example, if a valued employee is in some real trouble—like just getting married—then we'll buy for him"—St. Louis purchaser.

### Short Pointer:

If your Canadian suppliers don't answer the phone this week, don't blame them. Blame the Grey Cup Football playoffs in Toronto. Everybody goes.

## Follow-Up

### Put Conditions in Contract

Chattanooga, Tenn.

I was keenly interested in the question raised in regard to controlling subcontractors, by H. S. Sheriff, assistant for purchasing, General Products Division, I.B.M., White Plains, N. Y. (Your Follow-Up File, "How do you prevent a supplier from subcontracting part or all of your order to another manufacturer without your knowledge or approval?", Nov. 9, '59, p. 10).

I know of one purchasing department that has solved this problem reasonably well by simply writing into the general contract conditions that all subcontractors or producers shall be approved by the purchasing agent.

This provision is admittedly somewhat difficult to administer with absolute compliance, but it does avoid receiving large quantities of material from a previously disapproved source.

In addition, it makes the prime contractor well aware of your desires in regard to performance of the contract. Actually, it sometimes is a "pat-on-the-back" for the contractor and testifies to him that you desire his particular material or service, and his alone.

Plant inspection, of course, will promote enforcement of this contract requirement and is usually only necessary on a spot-check basis.

P. J. Davis

(President, Purchasing Agents Association of Chattanooga)  
Tennessee Valley Authority

St. Louis, Mo.

This is a problem not uncommon to purchasing men. It is a rather common practice in companies doing screw machine work.

Although the secondary vendor may not be an approved source, the vendor to whom the purchase order is issued assumes full responsibility for both quality and delivery of the item. Unless you have had a specific understanding with the original vendor, I feel certain this practice will be followed in order to retain good customer relationship.

In my experience, this is only followed in those instances where the original vendor cannot satisfactorily complete his contract. If the parts received are fully acceptable, then I see no reason why this secondary vendor shouldn't be given another chance to appear on the approved vendors list, unless disapproval was due to ethics or financial problems.

If control of this practice is required, it should be made part of the terms and conditions of the purchasing order stating that no fabrication or services can be sub-contracted unless cleared by the purchaser.

H. C. Brown

Electrical Products Division  
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## What effective way have you found to minimize follow-up on orders?

Question asked by: J. P. Senkyr, Jr., Purchasing Agent  
John C. Verdin Co., Cleveland



S. A. Johnson, director of purchases, Velsicol Chemical Corp., Chicago:

"The problem is different depending on whether you are purchasing M.R.O. supplies, capital equipment, or raw materials. M.R.O. purchasing usually is a matter of inventory, yours and your supplier's. Capital equipment, particularly that which is specially built, necessitates a great deal more follow-up. The raw materials which a company uses to produce its products need constant supervision and follow-up is necessary so the continuity of production can be maintained. The buyer's job, therefore, is to select sources that can adequately serve his company's needs. The best way to minimize follow-up is to decline to do business with companies that do not perform satisfactorily."



R. F. Reynolds, purchasing agent, Partlow Corp., New Hartford, N. Y.:

"Careful selection of vendors with proven performance of holding to delivery dates will go a long way in minimizing follow-up. A thorough knowledge of your vendors' facilities and lead time required by them for fabrication will help eliminate repeated follow-up. Reputable suppliers will keep the customer informed of any change in delivery. Large volume orders should be scheduled well in advance, with staggered and realistic delivery dates."



R. N. Leicht, purchasing agent, Horlicks Corp., Racine, Wis.:

"As a rule immediate acknowledgements are requested on our purchase orders, indicating over-all compliance on grades, specifications, and a firm commitment to meet with the requested delivery date. It is our policy to have all vendors send us their confirmation immediately when shipments of all vital materials are made. If delivery is going to be late, this must be communicated to the buyer at the first moment it is known. Reliable suppliers recognize

that time allotment is one of the major factors in determining order placement. We do not hesitate to emphasize this point and have established relations with sellers, who besides being comparably competitive, are dependable throughout."



G. C. Linn, senior buyer, American Oil Co., New York:

"By endeavoring to do business with vendors who we know from past experience abide by their shipping promises. Where we have expediting problems, I have found that the situation is often eliminated by personal contact with the supplier's sales representative handling our account."



A. L. Turner, purchasing agent, Redfern Sausage Co., Atlanta, Ga.:

"We actually do very little follow-up. Our relationship with 99% of our suppliers is such that we don't find it necessary. Our suppliers know that we have confidence in them to 'fill the bill' as specified at the time of purchase—and they go all out to comply. We believe that if there is a complete understanding with seller as to just what is wanted and when it is wanted, and a price is agreed upon, the seller is going to see that his people fulfill the contract."

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1. These purchasing men, attached to Pan-American . . .



2. Oversee the buying and transport of materials . . .



3. To keep the rocket program in full flight . . .

# Purchasing's Role in the

## How Four Men (Photo) Keep Missiles, Rockets Soaring Across 5,000 Miles of the Atlantic

**Cape Canaveral, Fla.**—An engineer at Ascension Island, 8 degrees below the equator, looks at a maze of electronic equipment.

He sees a special telemetering device that is receiving data from an Atlas Intercontinental Ballistic Missile. The signals are loud and clear. He gets his data as scheduled and compiles vital information for the Free World.

The test is successful.

And perhaps the engineer silently thanks a purchasing agent 5,000 miles away at the Air Force Missile Test Center in Florida.

In this case a buyer made a frantic call to a supplier in New Jersey requesting 3,000 ft. of special cable that was air-lifted to Florida and then down to Ascension in time to modify telemetering equipment needed to pick up a programmed change in the trajectory of the mighty Atlas ICBM.

Military and civilian procurement personnel at the Air Force Missile Test Center (A.F.M.T.C.) spend some \$2 million a month to provide the nation's missile program with the support items it needs to lead the Free World in the race for space.

This is a gigantic mission—often faced with problems of the unknown.

Purchasing for the A.F.M.T.C., largest missile proving ground in the Free World, is best summarized by Col. Paul R. Cornwall, director of Air Force procurement for the A.F.M.T.C. who says: "We purchase for the future."

### Buying Ideas

"Actually we're buying ideas and challenging the engineering and production of our suppliers. Many times we don't know what we're buying and the contractor doesn't know what he's contracting for since it doesn't exist. How can you anticipate the unknown—it's impossible!"

The A.F.M.T.C. operates a vast proving ground called the Atlantic Missile Range that extends from the Cape Canaveral launching site on the East Coast of Florida down the South Atlantic Ocean beyond Ascension Island—a distance of more than 5,000 miles.

### Plant Worth \$½ Billion

The Center's capital plant is valued at more than a half-billion dollars. Its operating cost for the fiscal year 1959 (ended June 30) exceeded \$130 million. More than 40 aircraft, 11 airfields, and a small fleet of ocean going vessels are needed to support the missile test mission . . . which means the A.F.M.T.C. must buy for land, sea and air.

All Air Force ballistic missiles are bought by the A.M.C. Ballistic Missile Center in Englewood, Calif. — But A.F.M.T.C. procurement personnel take it from here and buy the special equipment needed for their development and testing.

Purchasing activities at the Center are accomplished by the Air Force and Pan American World Airways (chief civilian contractor for the operation) and management of the Atlantic Missile Range—including the first station at Cape Canaveral.

The Air Force Procurement Office buys everything needed for Patrick Air Force Base and over-all operation of the Center—generally things for maintenance, housekeeping, housing, food for commissaries, and safety equipment for the Cape. (Although the Air Force has contracted operations of the Range to civilian firms, it still maintains final authority over all activities including safety—a mission so successful thus far that nobody has ever been killed during a missile launch).

Any purchase costing more than this amount must clear through Air Force supply channels, which in turn may fill the order from Government Supply depots, General Services Administration, or civilian vendors. Approximately 40% of Pan-Am requirements come from the Air Force acting as a supplier.

### Functions Often Overlap

Procurement headaches at the A.F.M.T.C. are many—and most of them stem from a unique problem . . . procuring research and development items on a "crash" basis that often doesn't even exist! As one P.A. told PURCHASING WEEK: "We buy anything made almost anywhere, plus innumerable items never before manufactured."

The Air Force Procurement Office includes two major divisions—the Contracts Division, which handles research and development materials and services; and the Base Procurement Division, which is responsible for materials, services, construction, utilities, etc. for the Center.

These studies, says the Colonel, may begin when Radio Corporation of America (contractor for all instrumentation at the Center) prepares specifications on a certain subject. "Often the supplier has never even heard of what we want, so we ask him if he thinks he can do it—if he says he can, we start talking money. But we're always looking for something nobody's ever done before—that's why we challenge our suppliers' engineering and production," he explains.

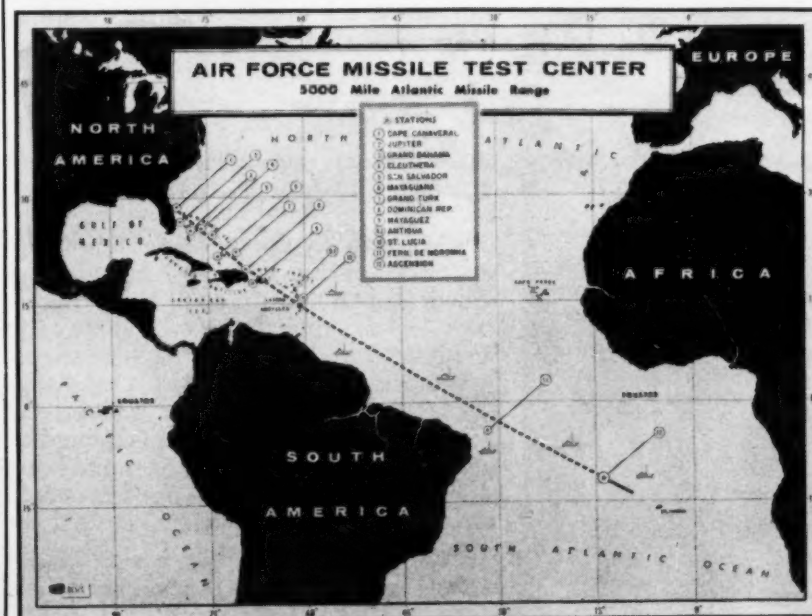
Proposals from potential contractors who feel they can produce the tracking analysis device, optical equipment, safety system, of whatever the specs may call for, are evaluated by technical personnel as well as procurement people before contracts are actually awarded.

### Proposals Evaluated

Among other purchasing problems at the Center are delivery time, maintaining sufficient inventories, government red tape, Florida market limitations, and—interestingly enough—the weather.

Building adequate inventories to supply the myriad of needs of the Center is a tremendous obstacle for several reasons: The Florida market is limited in the availability of many articles that are not produced in the area.

Local suppliers often do not



4. Over a trans-oceanic missile range.

# American Missile Program

stock sufficient quantities of even on-the-shelf items to fill missilemen's needs. This is due partly to a Florida inventory tax that makes it economically prohibitive for vendors to maintain large stocks. Often the Center must purchase out of state—thus increasing delivery time, transportation problems, and expenditures.

The Center's location on the ocean produces what one engineer terms "tremendous" problems of rust and corrosion of some materials and equipment. For example, says Jack Head—superintendent of procurement for Pan-Am—almost all hardware used Down Range must be anti-corrosive.

## High Cost of Salt Air

The huge gantries (scaffold-like cranes in which missiles are assembled and readied for launching) must be repainted after every launching because they rust quickly from exposure to salt air. It is virtually impossible to warehouse many metal materials including such everyday things as window screens, hardware, and metal parts of all descriptions.

A.F.M.T.C. purchasing is complicated in many cases by government regulations controlling methods of procurement. All buying is done on a negotiated or advertised bid basis as prescribed by the government.

And, says one well-placed source, "Advertised bidding is archaic for us because of the time element."

"We need it now and we haven't got time for all the red tape—but the Air Force is bound by a regulation that any item costing more than \$2,500 must be obtained through advertised procurement."

However, he adds, "There are actually 17 official exceptions to the rule—but exceptions have to be justified—and justification takes time."

## A Bidding Drawback

The advertised bid regulation is part of the reason that Air Force and Pan-Am purchasing activities are not consolidated—a move that could save money, time and personnel. Pan-Am, as a civilian contractor, is not bound by the advertised bid regulation. And, adds one airline source, "We insisted from the beginning that we must be able to purchase the things we need to operate the range."

"We were afraid of being placed in the proverbial position of responsibility without authority. And so much of our operation depends on purchasing items and getting 'em here immediately—sometimes regardless of their cost."

## A Costly Law

Another problem in red tape is Public Law 413 of the Armed Services Procurement Act of 1957 that states "A fair proportion of the total purchases and contracts for supplies and services for the government shall be placed with small business concerns."

According to official definition of the Small Business Administration, a "small business" is any firm that is not dominant in its field of operation and employs

less than 500 people in that operation.

The Air Force Procurement Office has a full-time civilian "small business advisor" whose job is to assist small concerns in securing defense contracts. Most missile buyers agree that is a good idea from the standpoint of giving everybody a slice of the pie—but says one source: "We haven't got the time here at the Center to lead small business by the hand into research and de-

velopment. The time and energy we spend on small business is ridiculous." During July, August, and September of 1959, Pan-Am spent more than \$4 million—and 58% of these funds went to small businesses.

The Air Force buys a multitude of research and development items, which results in another confusing problem of trying to determine when an R. & D. article reaches the cutoff point (Continued on page 14)



5. Final tracking station is here at Ascension Island.



Prize winner! This clock container won a Gold Award at the Fifth Annual Fibre Box Competition.

## Big glass clock "floats" safely home in this new container by International Paper



It's quite a trick to deliver this clock in one piece. The mechanism is delicate. The glass face is 12 inches across!

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Container Division **INTERNATIONAL PAPER** New York 17, N. Y.

# Purchasing Men Who Keep the Missiles Flying

(Continued from p. 13)

Any purchase used for R. & D. and still under test is termed a prototype—but after it moves into inventory as a stock item, it then must be turned over (at least on paper) to the Air Materiel Command for procurement and distribution through government supply depots. But here again is the ever-present factor of the unknown . . . some items may be developed to a certain point and then used again with further modification or development.

## State of Flux

How can anybody know what's a prototype today and a stock item tomorrow when the "state of the art" is always changing? But Air Force P.A.'s must attempt to keep track of these articles so they can be appropriately designated for Air Materiel Command procurement and distribution.

"Diversification" is a key word used by missile support buyers in explaining their jobs. Head speaks for Pan-Am in saying: "We buy equipment for pumping, transporting and handling liquid oxygen and nitrogen; we buy FPS-15 radar, Radiosonde Hypsometers, and an array of test and recording equipment that is the most complex and exacting in existence."

And, he adds, "Our day to day procurement includes such things as diver's recovery gear, playing cards, badminton birds, caskets, and furniture—most anything made anywhere, plus innumerable items never before manufactured."

Each Down Range Station has permanently assigned civilian and military personnel—and it is Pan-Am's job to provide these people with the things they need to live and tools they need to work with on isolated islands of the South Atlantic.

## Coffee and Ice Cream

Head comments that "down rangers" annually consume 2,160,000 cups of coffee and 12,000 gal. of ice cream . . . all bought by the range contractor.

Pan-Am also maintains and operates a fleet of 13 ships used as floating tracking stations between the Down Range islands. However, as another interesting example of how Pan-Am and the Air Force overlap in procurement—the Air Force (under original jurisdiction of the Armed Services Petroleum Agency in Washington, D. C.) buys fuel from suppliers in Recife, Brazil for the fleet.

## Emergency Purchasing

One Air Force purchasing agent recalls an emergency several years ago that involved purchasing 1 million gal. of fuel oil for the picket ships within 72 hours. But, he says, "We did it."

"In fact, we even got a waiver from the A.S.P.A. to buy this fuel through Base Procurement without going through regular channels—and we still do it." The fuel is purchased from U. S. oil companies.

Pan-Am has vendors at many of the Down Range Stations but the majority of the contractor's foreign purchases are made at Recife and Trinidad, West Indies

for support of adjacent tracking stations. Items purchased Down Range usually include some perishable produce, hardware and common electronic items—but less than one per cent of Pan-Am's dollar-volume purchases are made in the islands.

Briefly, reports of both offices show the following as a thumbnail sketch of over-all operations:

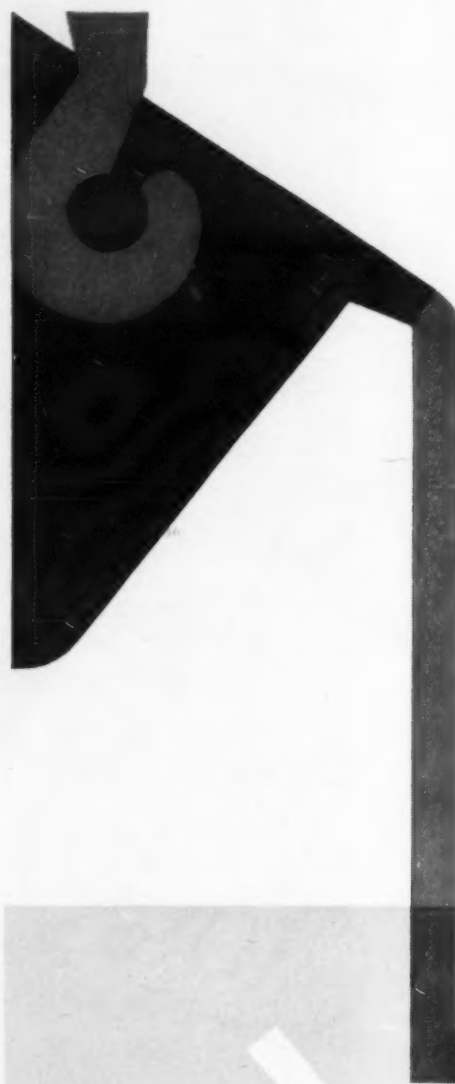
In fiscal 1959, with an assigned quota of 35 buyers, Pan-Am spent \$12,833,873 for 30,710 purchase orders totaling 144,692 line items.

During the comparable period, with 70 assigned personnel, the Air Force Procurement Office spent \$29,085,059 for 14,235 purchase orders covering 79,318 line items.

Perhaps Col. Cornwall, a slow-speaking West Pointer from Texas, summarizes the feelings of the combined purchasing offices when he says: "Who knows, we may be buying items that will make somebody comfortable in Venus someday. Can anybody say that isn't an exciting way of operating?"



6. Attentive ears in missile blockhouse hear the tangible evidence of procurement job carried out successfully.



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## Columbia-Geneva Steel To Build Research Lab For Raw Material Study

**Provo, Utah**—Columbia-Geneva Steel Division of U. S. Steel Corp. will build a raw materials research laboratory at the Geneva Works near here. It is scheduled for completion early in 1961.

The two-story structure will contain modern equipment for studying the raw materials of steel production. It will also house analytical and instrument laboratories, and a wide variety of iron ore, coal, and coke testing equipment.



**WILL SEAWAY TOLLS GO UP** for large salt water cargo ships like the "Solviken" (above)? There has been no official word given yet.

## Toll Increase Rumors Begin to Fly As Seaway Misses Tonnage Mark

**Massena, N. Y.**—The shipping season ends on the St. Lawrence Seaway next week, and with it start rumors that tolls will jump in 1960.

Main meat for the gossip is that, as of Nov. 30, the Seaway is sure to miss its 1959 estimated cargo goal by almost 5 million tons—resulting in a deficit during its first year of operation.

A U. S. spokesman for the international waterway, however, told **PURCHASING WEEK**, "I haven't heard a single word—officially or unofficially—about any increases in tolls next year. As far as I know now, the shippers' bill for using the Seaway will be the same in 1960 as it was this year."

Admitting that tonnage has fallen far below the amount estimated when the tolls were set, the official said, "We lost two weeks back in April because of ice, and we'll be shutting down 16 days earlier than anticipated. This unexpected time loss, I feel, accounts for the five million tons."

### R.R.'s Compete

Traffic sources point out that competitive railroad rate-cutting also has put a dent in the cargo shipped over the waterway and that "the railroads certainly don't intend to stop because the Seaway is losing business."

On this point, Willis H. Crosswhite, U. S. traffic services officer for the Seaway, commented, "These rail cuts merely show how successful we've been. It's a good thing for our economy when industries have to compete with each other."

On the other hand, Crosswhite added that "the government would be compelled to intervene if this competition ever reached the point of destructiveness."

### Canada Most Concerned

It was learned that the Canadian side of the Seaway will pressure for higher tolls in 1960 if the deficit proves too large this year. Canada has the biggest stake in the multi-million dollar waterway which must be debt-cleared within 50 years.

The estimate was for 36 million tons—11 million on the Welland Canal section, and 25 million on the Montreal to Lake Ontario section.

Crosswhite concluded, however, that "when we testified before all the toll committees, we said we didn't expect to make money the first year."

## Studebaker Buys Farm Gear Firm

**South Bend, Ind.**—Negotiations are currently underway between Studebaker-Packard Corp. and Oliver Corp. for the acquisition of the latter's farm equipment business by the auto manufacturer.

Although both companies declined to discuss the proposed agreement, it is understood Studebaker would acquire Oliver's four plants in Battle Creek, Mich., Charles City, Iowa, Shelbyville, Ill., and South Bend.

Farm equipment constitutes more than half of Oliver's business, which for the first nine months of 1959 has amounted to almost \$83 million. This would represent a substantial increase in Studebaker's \$285 million net sales for the same period.

The Oliver acquisition would be Studebaker-Packard's second diversification move this year. Earlier, the auto maker acquired two small plastics companies, Gering Products Inc., and C.T.L. Inc.

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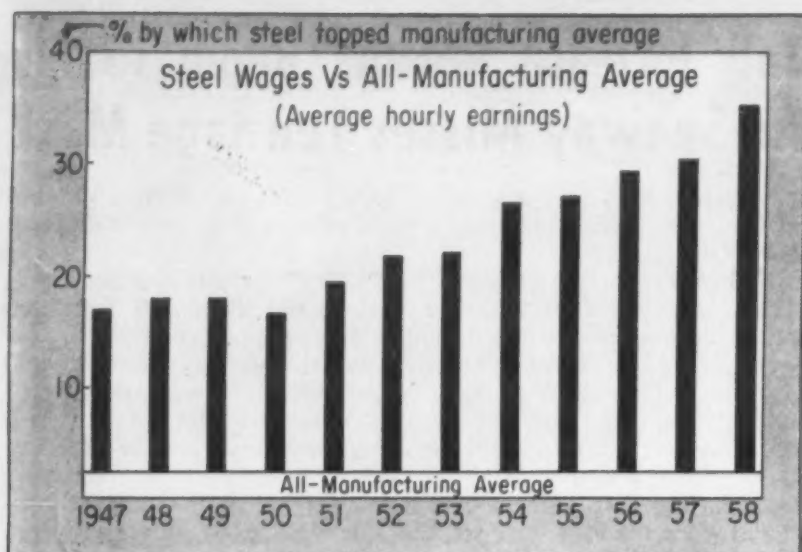
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DICKens 2-4000



Purchasing Week

November 23, 1959

# As Steel Prices Go, So Goes U. S.

New York—As steel prices go, so goes inflation.

That's the substance of the Joint Economic Committee analysis prepared for the congressional group by economists Otto Eckstein and Garry Fromm.

The study—"Steel and the Postwar Inflation"—has stirred up a storm of controversy. Both steel labor and management have been quick to lash out at the report as being "shoddy" and "an incredible piece of business".

But the report can't be dismissed as easily as steel labor or

management might like. It has a lot to say, and much of what it says casts new light on the relationship between steel pricing and over-all price levels.

For the purchasing agent, the report can be a ready aid in sizing up present conditions. It can provide solid, "bread and butter" clues to 1960 operations.

The report is a searching analysis of the major aspects of steel's activities: Steel's effects on inflation, steel price tags, and why increased costs can be passed on.

**Steel's effect on inflation.** The report notes that "any price increase in steel ripples through the economy in the form of cost increases," and goes on to indicate that these cost increases were passed on without being absorbed or added to by steel users.

The study covers the period 1947-1958. The results are analyzed for the over-all period and the 1953-1958 period, also, the years of "creeping inflation".

**Steel price tags.** The report probes into such diverse elements as steel wages, productivity, profits, and government intervention in past strikes.

**Prices that pass on.** The report examines the traditional industry habit of passing on price increases to the entire economy.

(As for the immediate future, PURCHASING WEEK economists foresee continued steel-inspired inflationary pressure, but see the pressure held in check, at least for the present, by growing public pressure to hold the line.)

The report makes these points:

- During 1947-1958, the wholesale price index jumped 32%, while steel prices soared over 88%. If steel prices had risen only as much as other prices, the index increase would have been about 19% (see chart page 17). In other words, steel accounted for 40% of the wholesale price inflation.

- From 1953 to 1958, the wholesale price levels rose about 11%, while steel prices rose by 29%. If steel prices had acted as the others did, the wholesale price increase would have been only 5%, or 55% less than it was.

Eckstein lays the blame for the steep steel inflation on six major causes:

- 1. Steel wages.** The largest cost factor, wages account for about 35% of unit costs that determine steel prices. During the post-war period the wages of steelworkers more than doubled, while the rest of manufacturing increased by about two-thirds.

- 2. Productivity.** Steel productivity improvement has been slightly lower than the average for manufacturing industry as a whole. The combination of above-average wage increases with sub-par productivity increases made for larger-than-average increases in cost per unit of steel output.

- 3. Government intervention.** Meanwhile, Uncle Sam has been a major contributory factor to increased labor costs, the study contends, as a result of the government's long-standing habit of pressuring the industry into granting higher wage contracts.

- 4. Profits.** Despite changes in the rate and cost per unit of steel output, the investigators argue that the industry has been able "to maintain and perhaps increase profit margins." If just cost increases had been passed on, and profits had remained unchanged, then the profit margins would have declined, because profits would have made up a smaller percentage of the total price of steel. The fact that these



Bostitch office staplers operate with a light touch; and they'll take a heavy wallop, too! When you standardize on Bostitch office staplers, you're buying staplers built to last.

Extra strength goes into every Bostitch office stapler. They're built to the same quality standards and tolerances as the entire line of 800 Bostitch stapling machines.

Extra strength and completeness of line are two good reasons for standardizing on Bostitch. Another is convenience in ordering. One call and one order can care for all your stapling needs.

The man to call is your Bostitch Economy Man, who is listed under "Bostitch" in your telephone directory. Ask to see the "B-line," ten stapler models to meet all your office requirements.

Fasten it better and faster with



671 BRIGGS DRIVE, EAST GREENWICH, RHODE ISLAND

# Inflation, Says Congress' Survey

margins did not decline means that the steel industry was able to pass on not only its cost increases, but also an additional markup of its own.

**5. Replacement and New Capacity.** Capital equipment and plant expenses form a very significant part of steel industry cost structure. These outlays experienced a sharp rise during the post-war inflation.

Also, the steel industry attempted to provide for replacement costs and additional capacity outlays out of income rather than by borrowing. This made for an additional jack under steel prices.

**6. Demand.** There was a good demand for steel during the tempted to provide for replace-high over-all demand for goods in the general economy. But, as the authors emphasize, this demand was not strong enough to explain steel's price rise; it was just a contributing factor.

Zooming steel prices have such a potent effect on the over-all wholesale index because steel is so important in our economy, both as a product and as a cost in other products.

But granting the importance of steel, the question still remains, how was the industry able to pass on all its climbing costs and then some? The study gives two main reasons for this:

• **Inelasticity of demand.** Exceptional increases in steel prices were not followed by any telling decline in the demand for steel.

• **Little Competition.** The eight largest steel firms accounted for over 80% of the shipments of blast furnace products. Such firms could set their prices without worrying about being undercut by equally powerful competitors.

As of September 1959, the wholesale price index (exclusive of food and farm products) went up almost 2% from its 1958 level. For steel the rise was slightly over 2%.

So far there hasn't been enough difference for steel to appreciably affect the general wholesale price level.

But that's not to say we're not at a critical point now. Here's why:

• **Wages.** As of August 1959, average hourly earnings in steel have gone up over 7% from the 1958 level. They have gained another 4% over the average for all manufacturing.

So this will constitute a spur to steel prices. Undoubtedly, the settlement of the strike will involve a further relative gain for steelworkers, and thus sharpen the spur that much more.

• **Demand.** Because of the strike, demand for steel (the study measures it as the ratio of unfilled orders to sales) has certainly gone sky high, as it has during every steel strike since the war. This makes the setting favorable for steel price hikes.

• **Profits.** Again the strike exerts its influence. The desire to maintain these profit margins must be put down as another in-

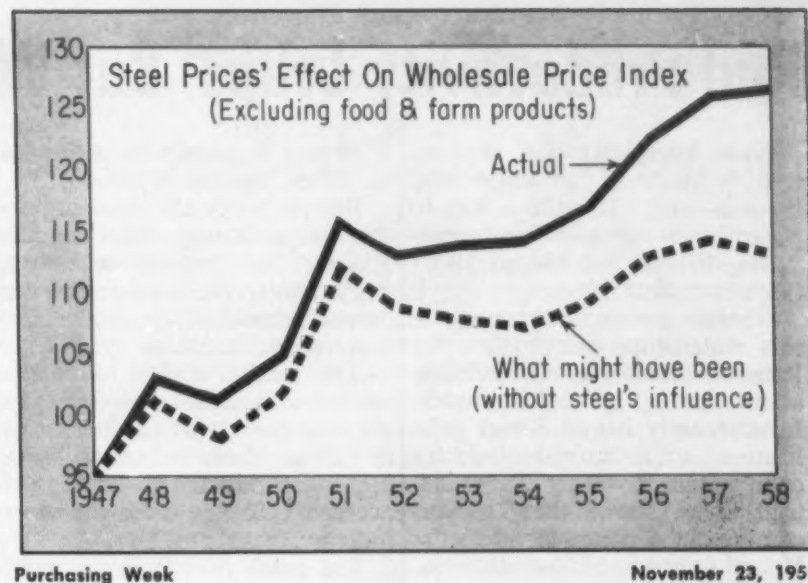
centive to growing steel inflation.

• **Replacement costs.** This item has risen perhaps a little over 3% from 1958 levels. It probably will provide a mild inflationary push for steel prices, especially with the immediate repair costs from the strike.

• **Elasticity of demand.** Probably the strike has brought about a somewhat greater elasticity of demand for steel. It has speeded up the use of substitutes for steel and increased steel imports.

Even though the same pressures are present today to spur a new round of inflation, something new has been added: Public opinion is now so solidly arrayed against inflation, that the ground-rules of steel pricing and wage-granting have been changed.

As one business economist recently told PURCHASING WEEK, "The steel companies won't raise prices if they can possibly help it. There's too much political and public pressure on them to hold prices down."

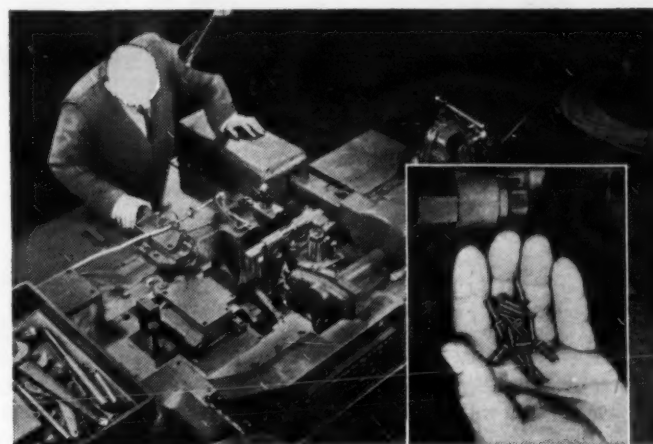


## Which picture do you fit?

Here are four *actual* customers\* with different, but exacting product and technical needs. One uses Bridgeport rod in a range of alloys, the second Bridgeport strip. A third makes fasteners from Bridgeport Brass wire.



"**AUTOMATIC QUALITY.**" says Customer A. "We've a high-volume, automatic screw machine operation. Our alloy needs vary from job to job. Our production schedules demand consistent quality alloy and accurate gauge. With every rod alloy we get from Bridgeport, we get what we order...including aluminum alloys!"



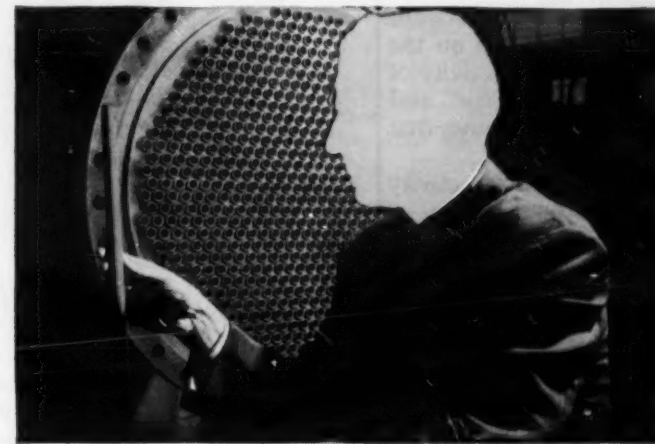
"**CONSISTENT GAUGE.** We need Bridgeport quality brass wire to make thousands and thousands of fasteners of every description," says Customer C. "High-speed, volume cold-heading production is only as good as the alloy wire that's used. Bridgeport Brass wire is made to exact tolerances for cold-heading at high speeds—we depend on it."

These examples typify national metalworking opinions. There's no mystery why manufacturers the country over depend on Bridgeport—Bridgeport products and service are *close at hand*. The many brass, copper and aluminum alloys made by Bridgeport in rod, tube, wire and strip are *readily* available from stocks in your area;

The fourth company uses Bridgeport condenser tubes and Technical Service to produce quality heat exchangers. Which picture do you fit with your raw materials and manufacturing requirements?



"**LONG-LENGTH COILS.** They're one reason why we can depend on Bridgeport for strip," says Customer B. "Superior surface finish from Bridgeport saves us production costs. With their Sendzimir mill finish and exact gauge and width in long-length coil, you can see the reasons why we depend on Bridgeport for brass, copper and aluminum strip."



"**PRODUCT PLUS SERVICE.**" says Customer D. "We manufacture heat exchangers for many applications. Our requirements include good technical and engineering service as well as a wide choice of brass, copper and aluminum tube alloys. All of these are available from Bridgeport."

\*Names on request

Bridgeport warehouses are located to make it easy for you to get what you want on time. Volume needs are mill-delivered. Your call to your nearest Bridgeport Sales Office, or a letter to Dept. 4011 will get you engineering and technical service. Try it, and you'll agree—you do fit into the picture!



### BRIDGEPORT BRASS COMPANY

Bridgeport 2, Conn. • Sales Offices in Principal Cities

Specialists in Metals from Aluminum to Zirconium

# Red Productivity Leaps, But We're Still Ahead

**New York**—Russian productivity—growing by leaps and bounds—still has quite a way to go to catch up with levels prevailing here in the United States (see chart, right).

There's nothing surprising in this statement—except that the Russians themselves now publicly admit this lag in worker output. In a recently issued Soviet publication, an industry-by-industry comparison, covering 28 industrial areas, shows the Russians coming out a poor second to the United States in almost all areas.

But there's little reason for complacency. All signs point to a prodigious effort on the part of Russian planners to narrow the productivity gap as quickly as possible.

Here are some of the high points of the Soviet study which covers comparisons for 1956.

• **Productivity level**—the average level of Russian output per production worker in 1956 was only half that of an American worker.

• **Productivity range**—the productivity lag varies considerably—with some industries far behind United States, others fairly close (see chart above, right).

• **Key industries**—certain major industrial areas were dangerously close to U.S.—even in 1956. Machine tool productivity (74% of U.S. figure) provides a good example where the Russians are breathing down our neck. And Red progress made since 1956 in this industry indicates the Russians already may have caught up with us.

• **Accent of Productivity**—the report indicates how vitally interested Russian production men and planners are in productivity—as an indicator of how well they are doing vis-a-vis U.S.

That they still have a considerable way to go can be seen from the 28 industry comparisons (11 of which are covered on the chart above). The productivity of only one of them (bread and bakery products) was above that of the United States.

One cause for the productivity lag—as seen by the Russians—is attributed to the lower level of electrical power consumption by the Russian worker. Yearly consumption of electric power by the Russian worker for the industries studied ranged from 30% to 67% of American consumption.

## Electricity a Relative

A close relationship was found between electric power consumption and productivity. Hence, the sharp Russian effort to increase electric power capacity.

But upping electric power capacity is only one of many steps being taken by the Russians to step up productivity.

Another involves purchases of plant and equipment from the West. This is particularly true of artificial fibers and rubber where Soviet productivity is particularly low (under 20% of U.S. figure).

Judging from the volume of purchases over the past few years, the Reds have probably managed to narrow the gap considerably in these soft goods fields. Acquisitions of entire rubber and fiber plants from

U.S. and England are examples of efforts in this direction.

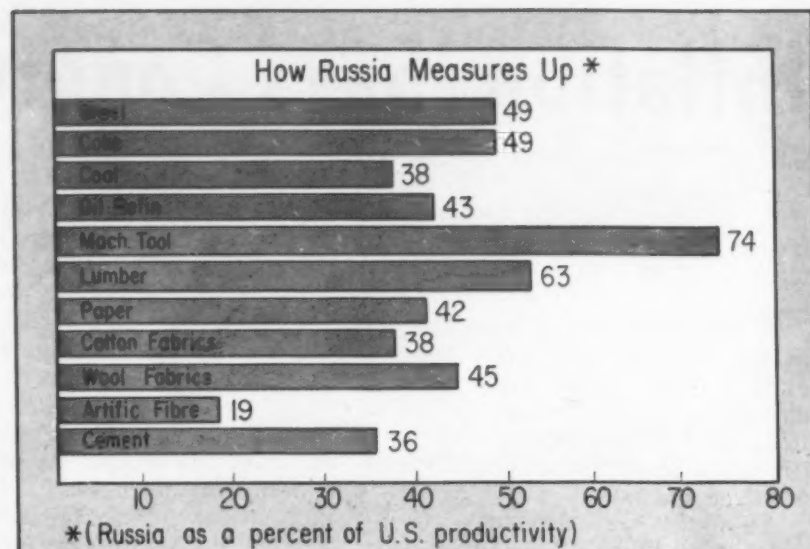
But probably the most important steps being taken by the Russians are internal in nature. They involve increasing emphasis on capital outlays for mechanization and automation.

The mechanization has come so far in some industries, say the Russians, that leading firms in these Red industries have higher productivity than the average U.S. figure for the same industry.

The catch here is in the word

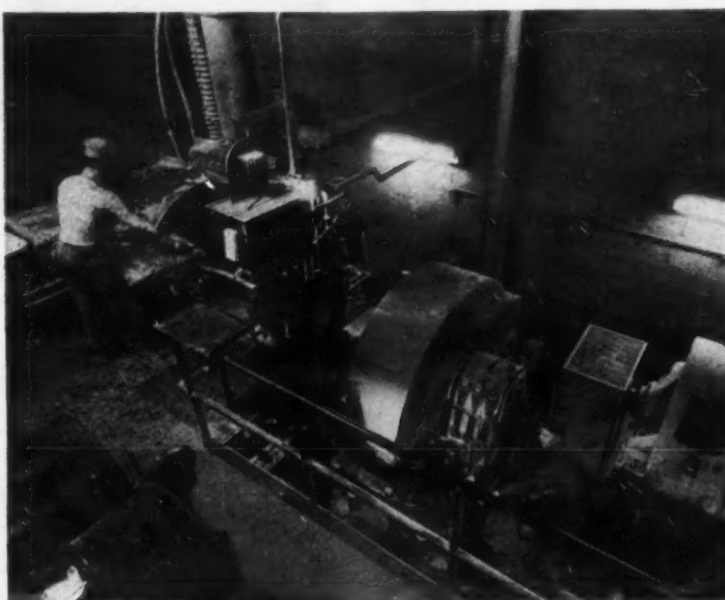
“average.” The study neglects to mention that many leading U.S. firms are above their own industry average—and that in all probability, these leading U.S. firms still top the leading Soviet firms.

Despite glib generalizations—like the one above—the report has been judged to be relatively unbiased. Spot checks on individual industries, for example, indicate productivity estimates are reasonable—and that the description of sources and methods are correct.



Purchasing Week

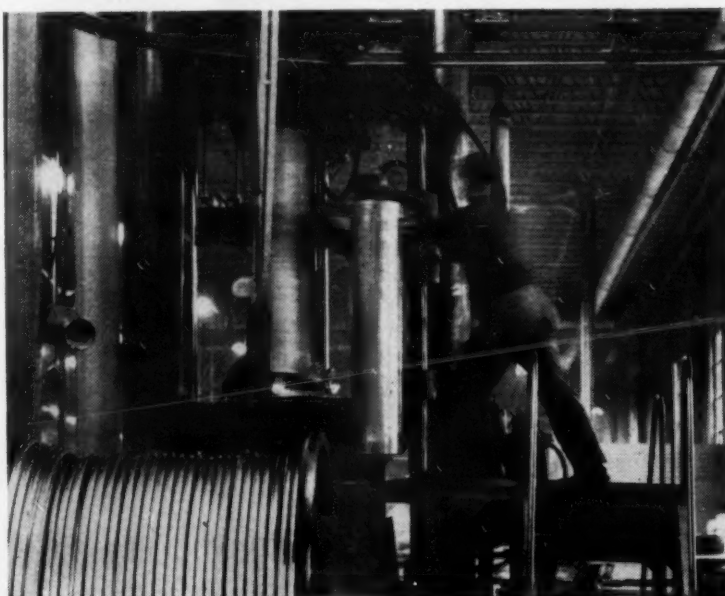
November 23, 1959



1. Compounding rubber to be processed into industrial hose. This spiral flow mixer at the Industrial Hose Plant of Swan Rubber Company is lubricated with Gulf Crown Grease and Gulf Harmony oil.



2. Sheeting-off compounded rubber flats, this processing mill is on the floor directly below the mixer. Gulf Crown Grease—a highly stable, water-resistant type—keeps the roll bearings in this mill operating smoothly.



5. Extruding lead overcoating on hose, this lead press has its hydraulic system filled with Gulf Harmony. Lead covering becomes template against which outside diameter of hose is forced under steam pressure, then cured.



6. Braiding reinforcement fibers on industrial hose. The high speed spindles on these braiders at Swan Rubber's Industrial Hose Plant are lubricated with Gulf Precision Grease #2. Gulf Harmony oil lubricates the spindle decks.

Swan Rubber cuts downtime 30% on 300 processing

## GULF MAKES THINGS

“Over 10 years ago, with the help of Gulf engineers, we set up a comprehensive lubrication plan for our rubber hose production. Since then we have reduced downtime by more than 30% on more than 300 basic processing machines, and hundreds of auxiliary units, using only 6 Gulf greases and 3 Gulf oils.”

That's the report from C. B. Jacobs, Plant Engineer of Swan Rubber Company, Bucyrus, Ohio—world's largest

manufacturer of garden hose, and also a major producer of industrial hose. 95% of the lubricants in this plant are supplied by Gulf.

Shown above are a few highlights in the processing of industrial hose at Swan Rubber, where Gulf Crown Grease, Gulf Harmony oil and other Gulf lubricants made possible a 30% reduction in downtime.

In over 10 years of Gulf lubrication of Swan's ma-

# Metropolitan P.A.'s Hold Session Cincinnati Buyers' Christmas Gift Workshop Brings Forth Diverse Test-Case Viewpoints

**New York**—Purchasing men should keep a closer watch on sales forecasts as a means of improving the efficiency of their departments, according to D. T. Keliher, purchasing director at U. S. Metals & Refining Co., Carteret, N. J.

Keliher took part in a panel discussion on "The Administration of the Purchasing Function" at the Nov. 10 meeting of the Metropolitan Purchasers Club of New York.

While a salesman on the road can be a good barometer of sales trends, Keliher said, other busi-

ness barometers in trade publications and newspapers also should be consulted regularly by P.A.'s.

R. F. Baldwin of M. W. Kellogg Co., former club president, took up some of the legal aspects of purchasing. He said a purchase contract is only as good as the parties who make it. The fine print on the back, he said is there "only in the event you need it."

Others on the panel pointed out the current trend in large companies toward "compatible purchasing," that is, a combination of centralized and decentralized buying.

**Cincinnati**—Some members of the Cincinnati Purchasing Agents Association think the business of refusing Christmas gifts from suppliers can be carried too far.

This view was expressed during a workshop session on "Christmas and the P.A." at the group's Nov. 10 meeting. Those in attendance voted more than two to one in favor of accepting a gift of 20 bags of fertilizer, the subject of a test case involving

gifts and gratuities (see P.W. gift survey, pp. 26-27).

Explaining the hypothetical situation, Workshop Moderator William A. Smith, P.A. for National Lead Co.'s Fernald atomic plant, said the fertilizer was delivered unannounced to the home of a buyer whose firm had been splitting its business among several vendors.

He said a phone call to the fertilizer firm's sales manager

brought the explanation that it was a gift for past favors. The sales manager indicated the fertilizer was a new product soon to be marketed in the area. "The buyer sent it back," Smith reported.

But many of the Cincinnati P.A.'s favored spreading it on their lawns.

Reasoned J. H. Heitbrink, retired Formica Corp. P.A., "Plenty of companies test new products this way. They even do it with housewives. So, are you going to take the stuff away from housewives?"

"Where are you going to stop," he asked, "with \$120 worth of fertilizer or one cigar? I don't go along with restricting gifts because the companies we work for don't go along with it."

"As fast as we refuse," he went on, "there are the sales departments right around the corner pushing the stuff out."

John Kreig, director of purchasing for the City of Cincinnati, disagreed.

Kreig, who would have turned the fertilizer over to the city, said, "P.A.'s can go overboard on sending gifts back, but I would like it better if they weren't sent at all."

## Prefers Lower Cost

Moderator Smith plugged for fewer gifts and lower costs.

"If the (fertilizer) salesman wanted more business," said Smith, "he should have figured out an angle to lower the price and not try to bribe his way to more sales."

Smith recommended that each buyer "make it well known that he prefers not to receive gifts, and then, if he receives them, to return them with thanks. Perishables which are impractical to return should be sent to one of the charities and the donor so notified."

Larry Baumgartner, purchasing agent at Formica Corp., expressed a more moderate view. "The time to refuse," he said, "is when we know we are being bribed—and we all know that."

"I wouldn't return a box of the man's product," said Baumgartner, "or a similar gift from a salesman we'd been doing business with for years. But if I got a TV set, I'd know it was a bribe and send it back."

## Value Analysis Efforts Win Praise for Denver

**Denver, Colo.**—The Denver chapter of the National Association of Purchasing Agents has been praised for its drive to increase efficiency through value analysis.

Kenneth Cruise, purchasing agent for Bendix Aviation Corp., Kansas City, said the 125-member chapter has done "an outstanding job" of promoting value analysis among purchasing men.

Cruise, who is N.A.P.A. District III chairman of the value analysis-standardization committee, pointed to the national organization's drive for more value analysis in purchasing as one of the chief methods of "achieving greater savings for U. S. business and industry."



3. Strip-feeding rubber to extruders for shaping into industrial hose. Gulfcrown Grease lubricates the bearings of this machine—and, as seen here, is also supplied to external components of the machine.



4. Extruding rubber like endless macaroni. This extruder, in another section of the plant, has many precision gears in its speed reduction units which regulate feed and speed. The gears operate in a bath of Gulf Harmony oil.



7. The finished product . . . Swan Rubber's industrial hose, some 300,000 feet of which are produced here daily. Only 6 Gulf greases and 3 Gulf oils provide complete lubrication for more than 300 basic processing machines.



8. Gulf man on the job helps Swan Rubber cut downtime 30% with the right Gulf greases and oils. Right, E. A. Jeffrey, Gulf Sales Engineer, with C. B. Jacobs, Plant Engineer, Swan Rubber Company.

machines using Gulf greases and oils . . .

# RUN BETTER!

chinery, there hasn't been a single plant-stopping machine breakdown due to a lubrication problem—strong evidence that Gulf makes things run better.

How about your plant lubrication? Gulf engineers can help you reduce downtime and cut maintenance costs. Just call your nearest Gulf office. Or, write for illustrated bulletins on Gulfcrown Grease and Gulf Harmony oil.

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Dept. DM, Gulf Building  
Pittsburgh 30, Pa.



## Midwest Rails Mull Merger Possibilities

Chicago—Officials of the Chicago, Rock Island & Pacific and the Chicago, Milwaukee, St. Paul & Pacific railroads are currently investigating the pros and cons of merging.

A consolidation of the two key Midwest rail carriers would produce a railroad with more track than any other U. S. road.

The board chairmen of both lines said their directors have given them the go-ahead on further studies to determine whether such a move would be profitable to both carriers.

### See Savings

Rail sources believe that a merger of the two Chicago-based roads could result in substantial savings in operating costs through consolidated service between several points that both lines now serve, such as Chicago-Minneapolis-St. Paul, Chicago-Omaha, and Chicago-Kansas City.

The Milwaukee road primarily serves Northwestern states with about 75% of its mileage in Montana, South Dakota, Minnesota, Iowa, and Wisconsin. Agricultural products account for about 25% of its total freight revenues. Lumber, shingles, and lath comprise 10% and soft coal, about 5%.

The Rock Island operates in 14 states, but primarily in Iowa, Illinois, Minnesota, Kansas, Missouri, Oklahoma, Colorado, Arkansas, and Texas. Agricultural products account for over 30% of Rock Island's freight revenues. Mine products account for about 12%, with soft coal the biggest single item in this group.

Both roads have appointed study committees, but have set no date on when a decision on the merger proposal is to be reached.

## Where Can I Buy?

Some products are easy to locate—others difficult. Perhaps you can help out one of our readers who knows exactly what he needs but doesn't know where to get it. And keep in mind that you can make use of this PURCHASING WEEK service at any time.

While you are answering our reader's request, would you also send a carbon copy to "Where Can I Buy?"

## Looking for Angle Rule

We are looking for a right angle rule with one 12-in. and one 18-in. leg. It can be made of wood or aluminum.

The rule, instead of having 1/16-in. divisions between inches, must have 1/12-in. divisions and they must be on the inside edge of the rule.

The reason for the 12th section to the inch is that each part refers to a foot—and makes it easy to calculate square footage in our lines.

Some of the metal carpenter angles on the market have this division, but it is on the outside of the square.

**Bernard Turteltaub**  
Home Awning & Shade Co., Inc.  
10 James St. at Palisades Ave.  
Englewood, N. J.

## I.C.C. Begins Study of Rail-Ship Rate Fight

Washington—The Interstate Commerce Commission will make a new study on competitive rate cutting and its effect on other modes of transportation. At the request of a Georgia delegation, the commission has agreed to re-examine a round of rate reductions put into effect last month by Eastern and Southern rails.

The rails cut rates on Oct. 23 on pulp board shipments from Georgia to the New Jersey-New York area by 13¢ to 19¢ a 100 lb. under competing ocean rates. To get the new rates, however, shippers must ship exclusively by

rail for the entire distance.

The measure was aimed at tapping tonnage now hauled by Seatrain Lines, Inc., between Savannah, Ga., and Edgewater, N. J., using a combination of rail and ocean carriage. And, the shipping company has told the Georgia port authorities that the new rail rates will mean the end of its service to that area (see P.W., Nov. 2, '59, p. 1).

The Georgia delegation, headed by Gov. Earnest Vandiver, told the I.C.C. that a loss of the \$350,000 in annual fees that Seatrain pays for the use of state-owned

facilities in Savannah will be a sharp blow to the port.

To prevent this loss, the delegation called on the I.C.C. to force the rails to establish a system of rail-water-rail rates that would cut Seatrain in on part.

The matter of rate cuts and their effects on competing transportation media has been well argued over the past few years. Last year, when Congress passed the Transportation Act of 1958 it specifically directed the I.C.C. not to keep freight rates high just because of the competitive effect on other modes of transportation.

## 17 Plastic Fabricators Form New Association

Hampton, S. C.—Seventeen major fabricators of industrial parts made from high-pressure, thermosetting plastic laminates, have formed a new association, The Micarta Fabricators' Association.

The new group, sponsored by Westinghouse Electric Corp.'s "Micarta" Division, will hold its first meeting here next year.

Purpose of the program is study of cost-reduction and quality-improvement methods in the fabrication of Micarta-base industrial products.

### SILICONE NEWS from Dow Corning

## For Immediate Release



IN RELEASING SHELL MOLDS

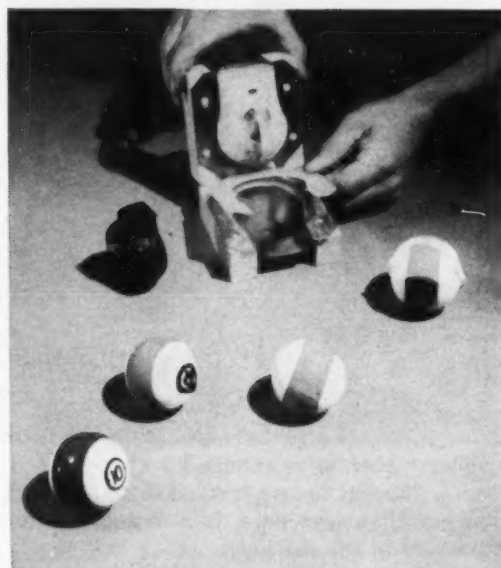
## Silicone Mold Lubricants Help Production Reach Full Speed

In any molding operation, sticking means trouble . . . rejects, lost production time, hours of costly maintenance.

You can rid yourself of such problems for all time . . . just lubricate the molds with Dow Corning silicone release agents and your sticking problems are over. Matters not whether your product is made of rubber, plastic, glass, metal or some other material, Dow Corning mold lubricants are top assurance of best release . . . help save substantial dollars, hours and material.

**Best Release, Better Products.** Dow Corning mold lubricants provide uniform, stick-free operation. Silicones work better because they offer maximum heat stability . . . won't melt and run off, won't form heavy carbonaceous deposits. Available in different physical forms . . . as compounds, fluids, emulsions, and in spray bombs . . . Dow Corning silicone mold release agents are readily adaptable to any type operation, can easily be sprayed into tiny openings or rubbed on smooth areas. Each provides clean easy release, brings to life every surface detail . . . helps your product look its best and sell its best!

**Cutting Costs with Silicones.** How many hours does your company spend cleaning molds? How many dollars on maintenance and



IN PLASTIC MOLDING

replacement? Molds lubricated with Dow Corning Silicones show little build-up . . . stay cleaner, last longer. Production costs stay down; profits up.

Molders continually turn to Dow Corning for newest developments and latest application information . . . standardize on Dow Corning silicone release agents to stop sticking, cut costs, increase efficiency, and improve product appearance. Whatever your molding operation, look to a Dow Corning release agent as the most likely means to the same benefits. Write for more information.

Address Dept. 3623 for rapid reply.



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Your nearest Dow Corning office is the number one source for information and technical service on silicones.



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MIDLAND, MICHIGAN

ATLANTA BOSTON CHICAGO CLEVELAND DALLAS LOS ANGELES NEW YORK WASHINGTON, D. C.

# Gov. DiSalle Lauds Ohio's Purchaser

**Columbus, Ohio**—When Gov. Michael V. DiSalle tapped an executive of the world's largest general merchandising organization to fill the state's important purchasing post, he expected a job well done.

But his choice, 42-year old George R. Dick, exceeded the Governor's expectations to such an extent that Gov. DiSalle recently singled him out for special praise. The big reason for the tribute:

## Saved \$1.3 Million

Since assuming the \$12,000 a year post of Superintendent of Purchasing and Printing in the Department of Finance last Jan. 15, Dick's method changes and sharpened procurement techniques have saved the state an estimated \$1.3 million.

He did it by placing state purchasing on a business-like basis, using many of the techniques learned during his 18 years with Sears, Roebuck & Co.

The formidable official—he stands 6'2" and weighs 250 lb.—modestly credits a lot of his success to cooperation of his assistants in establishing new bid techniques, volume buying, extended term contracts, and quality control methods.

## Wants Commitment Buying

He is out to inaugurate another business practice—commitment buying—within the next few weeks. If details can be worked out, he will start with paints and pipe. The products will be placed for competitive bidding early in 1960 for the entire year on a firm price and with the stipulation that certain amounts be delivered at set dates on the various institutional and other sites.

"We can save a considerable amount by purchasing our entire year's estimated needs at one time," Dick told PURCHASING WEEK during an interview recently. "We will standardize our needs, buy in volume lots, and authorize the manufacturers to drop shipments on pre-determined dates."

## Uses Extended Term

In addition to competitive bidding practices for every state-purchased commodity, except in cases of emergencies, the money-saving P.A. has entered into extended term contracts with some 50 firms. The list may be doubled within the next six months he indicated.

Dick has also expanded the bid list, to which he credits much of the resulting savings. He also emphasizes that all awards must be made on the basis of quality, price, and service.

## Reductions in Stocks

One result of new purchasing techniques has been to reduce the quantities of foodstuffs, disinfectants, fuel, and supplies of all kinds kept in stock. Prompter deliveries, keyed to condition of inventories, are the difference, he said.

Dick cited a few of the many savings effected through extended term contract bidding. Some examples are:

- Dishwashing compounds, formerly purchased at 20-30¢ a lb., now costing 14¢. Total sav-

ings to the state, \$33,000 a year.

- Tabulating cards now cost the state \$1 per thousand delivered, instead of the \$1.25 per thousand plus freight paid a year ago.

- Institutional gasoline and fuel oil are purchased separately, on flexible contracts. Competitive bidding has greatly reduced prices for the state.

Dick, a graduate of Butler University, Indianapolis, resigned as controller for the Sears,

Roebuck six-store operation at Canton, Ohio, to come to Columbus. He was assured the full cooperation of Director of Finance James Maloon in any move to bring more business-like methods to the purchasing division.

Married and the father of two daughters, Dick has an eye on his own business one of these days—upon completion of his stint in state office. Until that time, however, he'll keep aiming at a million dollar plus in savings for the state annually.



STATE P.A. George Dick discusses program with assistant Bob Riggs.

## Truckers Fighting Rails, I.C.C. Over 'Piggyback'

**Terre Haute, Ind.**—The trucking industry went to court last week to kick off a showdown fight with the railroads and the I.C.C. over "piggyback."

The truckers appealed to the U. S. District Court here to reverse a recent I.C.C. ruling permitting freight forwarders to enter the piggyback business.

On Sept. 15, the I.C.C. authorized forwarders to conduct this service directly by approving a forwarder's proposal to establish volume piggyback rates between New York and Chicago.

## Fansteel cuts cost 8.2% per M Customer saves over \$9,000 on one year's usage of electrical contacts

Because Fansteel's responsibility to a customer does not end with delivery of the order, one customer has realized a saving of over \$9,000 and at the same time received an improved product.

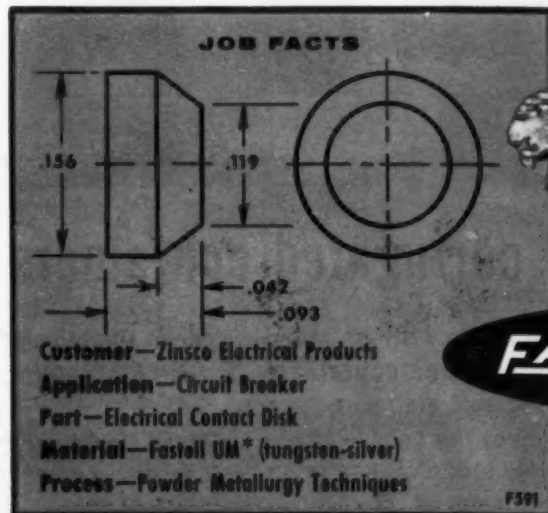
The customer is Zinsco Electrical Products, Los Angeles; the product an electrical contact disk of Fastell UM\* (tungsten-silver). For many years Fansteel has been producing millions of these contacts on orders running several hundred thousand pieces per month. Fansteel engineers, always searching for improved product quality, recently developed important new production and process improvements that reduced costs 8.2% per M on this part.

These savings, passed on to the customer, amount to over \$9,000 on the current year's requirements. And this will be increased many times over in the years to come.

It's just another graphic example of how Fansteel's constant search for new and better ways of doing it—how this search and quality control, which begins with the ore and on through the finished contact, means substantial savings and improved quality to users of Fansteel electrical contacts.

Similar savings can be yours... ask for recommendations on your product... contact your Fansteel representative or write direct

\*Trademark



Electrical Contacts and Specialties Division  
**FANSTEEL METALLURGICAL CORPORATION**  
NORTH CHICAGO, ILLINOIS, U.S.A.

## California Agency Plans Clinic Series To Solve Small Business Problems

**Sacramento, Calif.**—The new State Economic Development Agency plans to conduct a series of "industrial clinics," pegged at curing small business ills.

The program, being whipped into shape by Stanley K. Crook, deputy commissioner of the agency, is designed to familiarize small businessmen with changing conditions in the fields of buying, selling, merchandising, and manufacturing.

The agency was created recently at the request of Gov. Edmund G. Brown to help steady the state's economy and prepare industry and businesses to meet problems resulting from recession or possible cutbacks in defense programs.

As envisioned by Crook, purchasing agents will be in line to receive valuable economic and other data from clinic participation. In some cities, he explained, clinic activities probably will include sessions devoted to particular purchasing problems or new procurement techniques.

### To Sound Out P.A.'s

"As we move into actually setting up these clinics," the deputy commissioner told PURCHASING WEEK, "it will be one of our purposes to sound out purchasing agents in various areas and see what problems they are most interested in and then organize sessions aimed at those specific problems."

In general, plans for the clinics call for discussion of management problems, advertising, industrial marketing and pricing, cost reduction, better training of personnel, research and new products available to small manufacturers, and other small business topics.

Crook, hired by California after serving in the State of Washington's Commerce and Economic Development Department, had hoped for an early start on these small business clinics, but he has encountered a delay in efforts to recruit skilled personnel. He hopes to have the program going by the first of the year.

"The whole range of the pro-

gram will cover many specific things not available other than from the skill and techniques of big business," he declared.

"We will put small businessmen and purchasing agents who may want information in contact with experts in many fields. We will bring in experts from large industry, colleges, and universities, and agencies in government, experts who have the knowledge and who will make it available."

→ **WORLD SOFTBALL CHAMPIONSHIP** was captured recently by Sealmaster Bearing Division of Stephens-Adamson Mfg. Co. Among those displaying the trophy is C. B. Hurd, head of the division and former purchasing director for the company. He has sold S.-A. on the "importance of extra-curricular activities in industry." Also in photo are, left to right, LeRoy Hess, field manager of the team, L. S. Stephens, company president, and Harvey Sterkel, pitcher chosen as most valuable player.



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**Mead Container Power smooths your product's way through distribution channels**—through better handling, stacking, identification on the loading dock, in the warehouse, in the stock room, on the sales floor.

### Commercial Airlines Cut Rates for Gov't Business

**Washington**—Commercial airlines are using a very convincing weapon—reduced rates—in their battle to woo government business from the Military Air Transport Service.

Four international airlines, Northwest, Pan American, Seaboard and Western, and Transworld Airlines have proposed a system of reduced tariffs for overseas shipments by the federal government.

A spokesman for the airlines said the joint proposal was submitted following requests by the Defense Department for increased long range cargo airlift capacity. He said the low rates suggested by the carriers would reflect the lower cost of handling government traffic where advertising and other normal selling costs are not present.

The airline spokesman pointed out that with the new tariffs the government would be justified in transferring part of the traffic now carried by M.A.T.S. to commercial airlines.

## Lumber Prices Continue Dropping But Bottom Seen by First of Year

Seattle, Wash.—Lumber prices will continue to decline for the rest of this year, but most observers believe the bottom has been reached in plywood prices.

Quarter-inch sanded plywood now is selling at \$64 a thousand sq. ft., a reduction of \$4 in the last week, for only the third time since World War II. On previous occasions, the \$64 price prevailed for only a short time, as mills quickly cut production.

Best guesses currently, how-

ever, are that no increases are likely until after the first of the year, although further decreases are even more unlikely.

Industry opinion seems to be that it's best to continue to produce and sell some grades at a loss rather than to shut down and risk losing customers.

Price declines have been general in all types and thicknesses of plywood, ranging from \$15 to \$50 in the last five months of reporting.

## Oil Buyers Plan Parts Standardization

Chicago—Petroleum industry buyers are shaping up a program to standardize spare parts inventories. A program, to be presented to local chapters of the Petroleum Industry Buyers Group, is to standardize on an industrywide basis to permit reductions in costly parts inventories and ease supply problems for the entire petroleum industry.

Meeting during the 39th annual American Petroleum Institute, oil industry buyers voted unanimously to accept the recommendations of the group's inven-

tory utilization project committee.

T. C. Banta, committee chairman and P. A. for Sinclair Refining Co., outlined details of the 10-point program, which many oil buyers predict will meet with industry opposition before acceptance by local P.I.B.G. chapters.

Basically, the program recommends:

1. That all companies interested in participating notify Banta, who in turn will compile a

master list to be mailed to each company indicating plans for participation.

2. That the initial program be confined to spare parts for major mechanical equipment, including centrifugal pumps, centrifugal and reciprocating compressors, steam and gas turbines, and centrifugal blowers.

3. As a first step in establishing uniform nomenclature, participating companies fill out a form for obtaining complete spare parts data from equipment vendors on both existing equipment and new equipment purchases.

4. That each company establish one system for classifying, cataloging, and stocking of spare parts using the manufacturer's engineering part drawing number as a basic common language symbol.

5. Companies will adopt a "company code" number (in addition to the manufacturer's part number) to facilitate the ultimate use of data processing equipment for increased intra-company efficiency.

6. The committee will work with the industry to develop a universal numerical spare parts code for adoption by equipment manufacturers and the oil companies.

7. Each company will appoint a specific individual to coordinate its activities and progress on the program to serve as a contact for all inquiries on availability and interchangeability of spare parts.

8. All negotiations on furnishing available spare parts will be carried on directly between interested companies and manufacturers.

9. Oil industry buyers will work individually to encourage equipment manufacturers to establish adequate stocks of spare parts for protection of the user's equipment.

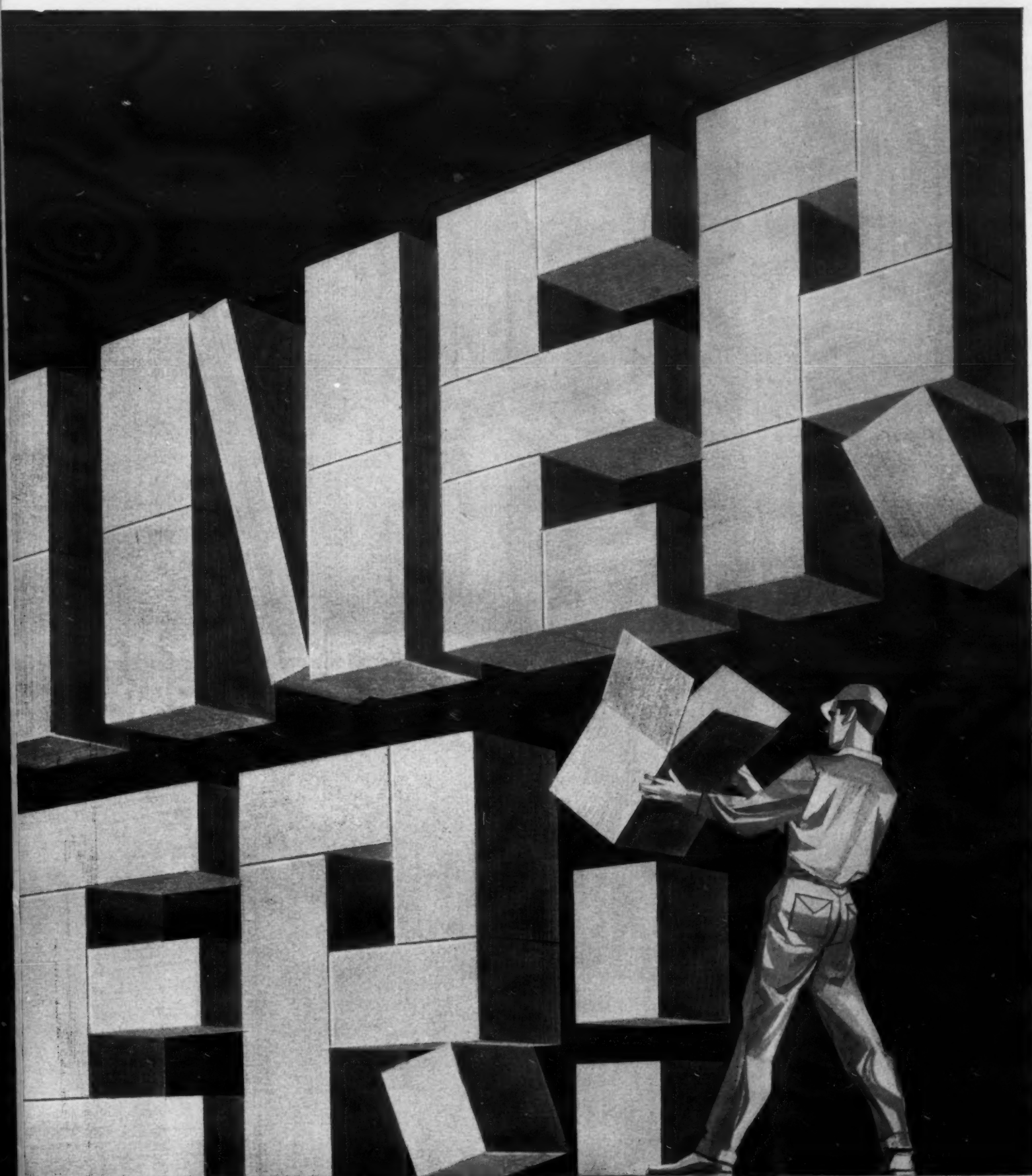
10. The committee will meet to evaluate progress of the program when necessary and act as a clearing house for information of interest to all companies.

Oil buyers, discussing the program in corridor conversation, agreed that "although the program could certainly save us money that is needlessly spent on burdensome stocks, it will take a lot of ironing out before everybody will accept it."

One purchasing agent, for example, explained that "it will cost us a lot of money to do all this cataloging of thousands of parts and we've got to decide if it is worth the expenditure in manpower, etc."

Still another buyer remarked that oil industry competition could discourage some companies from participating in the inventory plan. He predicts, however, "this is a long range program and I hope we can sell it to the industry. Something has got to be done in this area."

After the program is presented to each chapter, votes will be taken and the results will be presented next May when the petroleum buyers' group meets during the National Association of Purchasing Agents' convention in Los Angeles.



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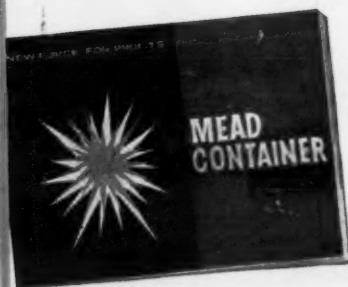
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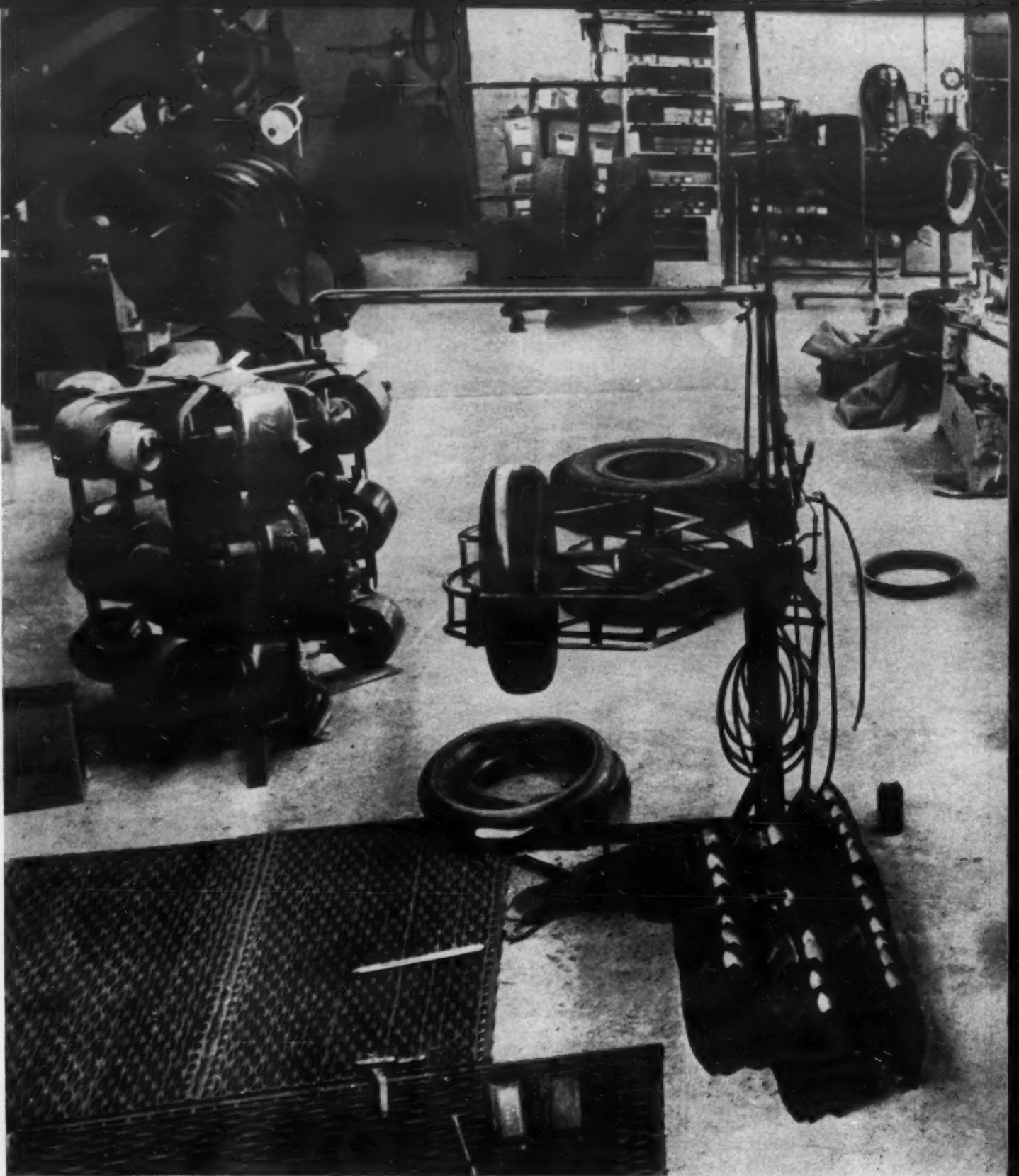
...Imagination in Paper and Packaging



# The Seven Steps To Lower Fleet Tire Retread Costs

Cutting 50% off the cost of new truck tires isn't child's play. But that's just what an up-to-date retread operation like the one in the photo at the right can accomplish for the purchasing agent.

Below you'll see the seven major steps the retread tire vendor takes in breathing new life into old tire carcasses. Once he's done, he'll offer safety and mileage guarantees on his work.



Retread operations are no longer back-alley opera



**1. INSPECTION**—First, most important step to successful retreading. Tire body is examined for evidence of puncture breaks and other serious imperfections.



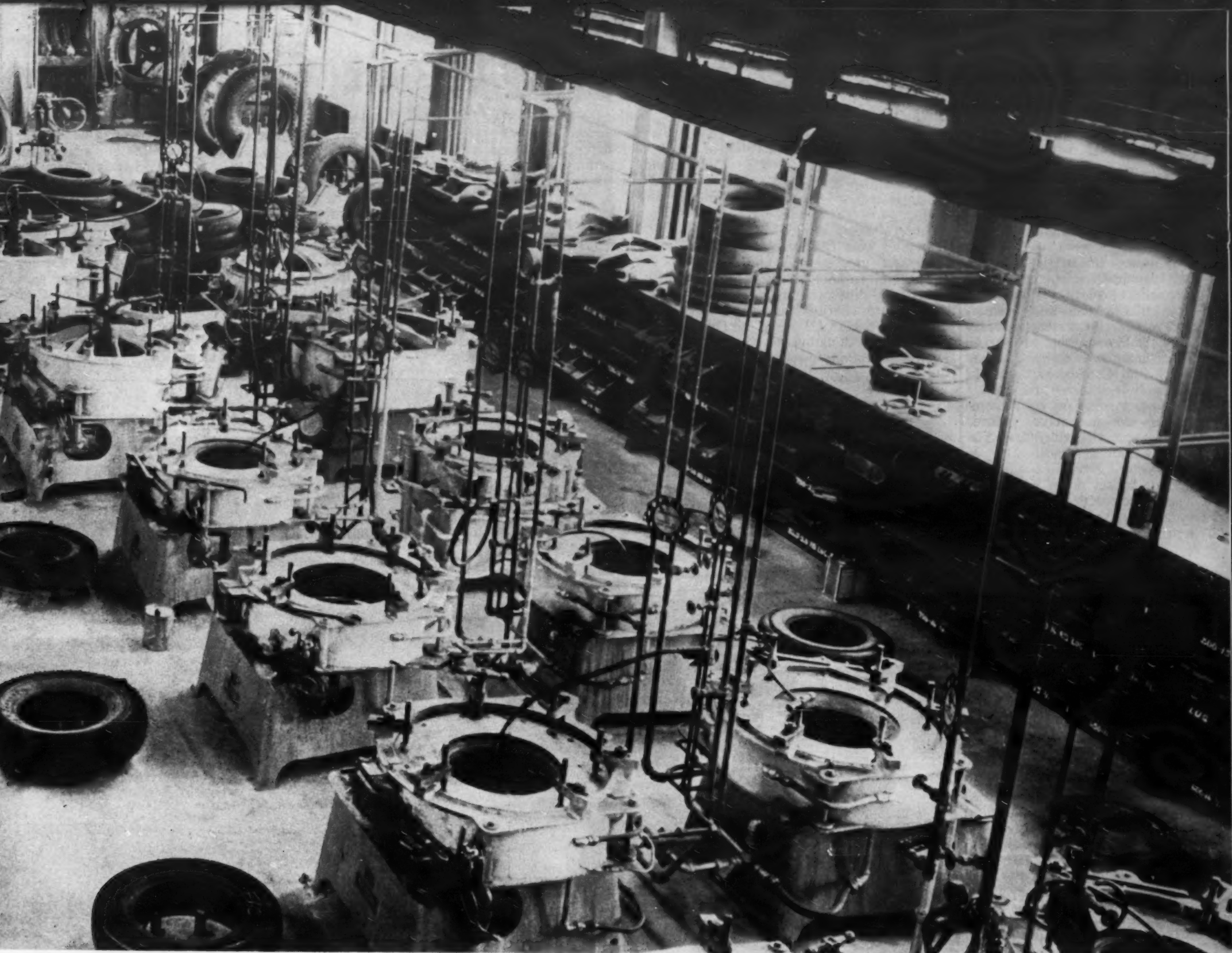
**2. DRYING**—Here done by battery of infra-red lights. Lights evaporate moisture that sometimes collects in the plies of the tire. This step is essential to high quality. Moisture is a danger signal to tire life.



**3. BUFFING**—Removes old tread rubber from truck tire casing. This operation makes room for a new tread stock, provides a rough surface to improve adhesion of the new rubber. Buffing is done by hand and or by using automatic equipment. Tires "grow" in use. Differing new tire dimensions combined with different amounts of growth during life of the tire, create many problems.



**4. REPAIRING**—Tension of new tread surface is being adjusted. Nail holes are closed and vulcanized before



Today, up-to-date, modernized plants like this one turn out great numbers of retreads in record time.



dy prior to applica-  
camelback. Here a  
red for patching.  
out, patched, and  
s approved.



**5. SPEEDING UP**—Modern equipment speeds qual-  
ity production of retreads. Here electric curing  
molds hasten section repairs on truck tire body  
before the application of tread rubber. Electric  
curing takes 90 minutes . . . steam curing three hours.



**6. TIRE BUILDING**—Still largely a hand craft (although power  
tread builders have been developed for time and labor  
saving advantages). Here a new tread is applied to the  
prepared carcass. The man at right is finishing a retread  
application on a truck tire in preparation for curing process.



**7. CURING**—Final production step.  
Tire carcass, tread go to mold  
containing metal matrix of tread pat-  
tern. Pattern is bonded to the tire.  
Here long skirt spreader is used.

# If Vendors Want to Be Generous, Let 'em Give Us Better

## 77% of Firms Surveyed Have No Policies Against Receiving Christmas Gifts, But There Are Limits

If vendors must be Santa Claus to purchasing men let them wrap up a shiny package of **better service** and place it under the tree this Christmas.

This was the message sent to the vendors' North Pole in a special PURCHASING WEEK survey on Christmas-tide business gift giving. Purchasers in every major industry group, in over 40 cities and towns throughout the U. S. and Canada took part in the survey.

Most P.A.'s—or their companies—do not have policies against accepting Christmas gifts from vendors. Almost 80% of purchasing executives queried hesitate to set down rigid rules against the practice. Two reasons usually motivate this policy pattern:

1. Often P.A.'s companies are obligated by business custom, or other reasons, to give gifts to their customers at Christmas. It would seem almost hypocritical for these companies then to have stern policies against their receiving gifts.

2. Purchasing agents, in many cases, hesitate to set rigid rules that seemingly run counter to the

### QUOTABLE QUOTES

"I have noted that some of the poorest delivery service is given by the biggest spenders. Let's have service rather than junk." (Canadian P.A.)  
 "Since giving and receiving gifts will undoubtedly not be stopped, every effort should be made to get it on a reasonable basis." (Kansas P.A.)  
 "Hit the source, not the end . . . if this (vendor gift-giving) is to be killed. The biggest fraud of all is the salesman who gives a \$5 gift and charges his company \$25. Why purchasing? Look at gifts given by securities salesmen to clients, drug stores to doctors, etc!" (Midwest P.A.)

spirit of the Yule season. Rigid rules demand rigid discipline. Gifts, it is felt often, must be returned—and this can create embarrassing (and even goodwill-shattering) situations with vendors.

On the other hand, those P.A.'s, and companies, with policies rigidly against vendor gift-giving, are shown to be usually motivated by two other considerations:

1. An effort to control a practice that can become embarrassing, and can imply questioning of buyer judgment and integrity—by others in the company, and by vendors and prospective vendors.

2. An effort to avoid recurrence of a bad experience suffered, or narrowly missed, through vendor, buyer, or company abuses of the practices.

"Better service" was by far the most wanted Christmas gift from vendors by purchasers according to the P.W. survey. As far as

relative number of mentions, this gift suggestion was in a class by itself.

Other "most wanted" gifts mentioned were quality maintenance and price stability efforts by vendors. In another category of favorite gifts was indicated donations to charity causes by vendors in name of P.A. or his company, and donations to educational institutions toward schol-

arships. Mentions of gifts of the physical kind were few. A number of P.A.'s indicated a preference for "liquid Christmas spirits"—because it was their practice to donate them to the company Christmas party.

Most purchasing men who named "service" as their most wanted gift simply stated the word with exclamation marks. Others specified; one P.A.: "Evidence of closer working together of vendor salesman and his production department, to give us deliveries instead of promises."

Another: "Delivery tomorrow of the item I ordered today that was needed yesterday."

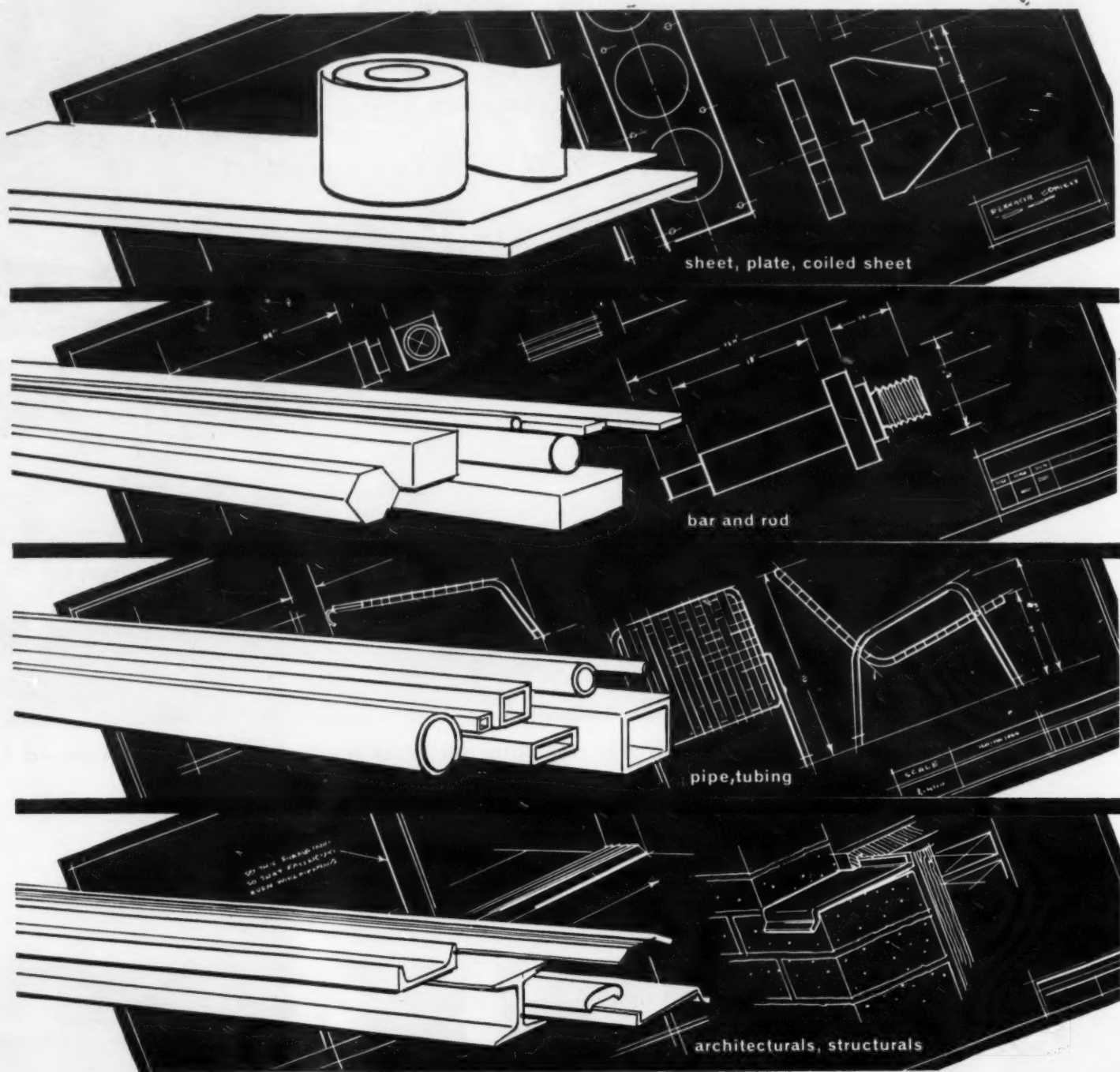
It may be significant that not a single purchasing agent mentioned lower prices as the most-wanted gift. These men may be realists who realize that even Santa Claus has his limitations.

A typical remark in the price category was one made by M. C. Hinds, P.A. at H. K. Porter's Connors Steel Division in Alabama: "A guarantee of no price increases during the coming year."

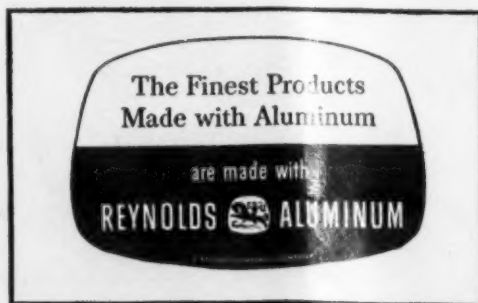
One California buyer bristles the beards of would-be vendor Santa's with this gift suggestion, "Use this Christmas money to find ways of reducing costs of products we buy."

### Buyers Limit Gifts

Most P.A.'s companies (survey: 77%) do not have policies against purchasing receiving gifts from vendors, but in most of these companies some limitation on acceptable gifts is indicated to vendors. Many companies leave the matter to the judgment and



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# Service, P.A.'s Emphasize

discretion of buyers and vendors, and handle abuses of the practice on an individual basis as they occur.

Another popular restriction or limitation is in acceptance of gifts only from certain vendors. These vendors are usually veterans of long service to the P.A.'s company, major suppliers, or ones on whom the buying company is highly dependent.

Purchaser Eugene O'Neil, Monarch Marking Systems Co., Dayton, Ohio, offers a comment on a very typical policy, "...

within reason, based on type and amount of business involved throughout the year. No gifts are accepted unless the giver is an established supplier, and doing a reasonable amount of business with us."

## Nothing Big Please . . .

One Midwest buyer is pleased with a policy he has had for a number of years in that the door is open for the vendor who wants to give a gift but is not sure what will offend or embarrass. Says this buyer, "We accept a pen

with the vendor's name on it, or other advertising materials bought in large quantities for dissemination among the company's customers."

One unusual but effective method of controlling gifts is cited by the P.A. of a small company in Iowa. "I do accept, but tell givers that I list every gift, with name of supplier, and give the list to the owner of the company. I ask the owner to choose any or all items, which I give to him."

The limitation most P.A.'s have found satisfactory in dealing with the gift problem is in dollar value. A typical P.A. in this category states: "We accept

only gifts in value of no more than \$5—and then usually from only established suppliers."

## Handling Unwanted Gifts

The handling of the unwanted—or prohibited—gift is a problem faced by those P.A.'s with either policies against all gifts, or those who limit gifts (and limit is exceeded). As revealed in this survey, most P.A.'s with 100% policies against gifts return the gifts to the donor. This is done as tactfully and as courteously as possible—but firmly.

Most P.A.'s with "limitation" gift policies accept the gifts, so long as the limits are not too much exceeded, and remind

donors not to repeat the act the next year. Several buyers remarked that some time was required to make their policies effective. New policies require several years before they begin to "take hold."

## Against All Gifts

One company with a policy against all gifts is Microwave Radiation Co. in Gardena, Calif. Here's Purchasing Agent D. F. Toland's way of handling unwanted gifts: "In all instances the company policy is restated to the supplier, and the offered gift is declined with thanks. Items that just 'show up' are distributed among employees at the annual Christmas lunch."

Says an Arkansas P.A. with similar policy, "gifts are either returned or turned over to the Salvation Army."

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San Francisco, San Diego  
Pioneer Aluminum Inc., \*Los Angeles  
Rebco, Inc., (Architectural) \*Los Angeles  
Reynolds Aluminum Supply Co., Fresno, \*Los Angeles,  
Sacramento, San Diego and San Francisco  
Joseph T. Ryerson & Son, Inc., Los Angeles,  
San Francisco  
Turner Metal Supply, (Wire, Rod, & Bar) \*Los Angeles

**COLORADO**  
M. L. Foss Inc., \*Denver  
Silver Steel Co., \*Denver

**CONNECTICUT**  
American Steel & Aluminum Corp., \*Hartford  
Peter A. Frasse & Co., Hartford, Wethersfield  
Joseph T. Ryerson & Son Inc., Wallingford  
Sheet Metal Mfg. Co. (Architectural) Waterbury

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**GEORGIA**  
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Savannah

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J. G. Braun Co., (Architectural) \*Skokie  
Chicago Tube & Iron Co., (Tubing & Pipe) \*Chicago  
Jones & Laughlin Steel Warehouse Div., Chicago  
Kasle Steel Corp., Chicago  
C. A. Roberts Co., (Tubing & Pipe) \*Franklin Park  
Jos. T. Ryerson & Son, Inc., \*Chicago  
Benjamin Wolff & Co., \*Chicago

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\*Indianapolis  
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Jos. T. Ryerson & Son, Inc., Indianapolis  
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\*Robinson Bros. & Co. Div. of Ft. Dodge  
Iron & Metal, Des Moines

**KANSAS**  
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**KENTUCKY**  
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Jos. T. Ryerson & Son, Inc., Boston

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Peter A. Frasse & Co., Lyndhurst  
Mapes & Sprawl Steel Co., \*Union  
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Buffalo  
Long Island Tinsmith Supply Corp. (Architectural),  
\*Richmond Hill, N. Y.  
Mapes & Sprawl Steel Co., Union, N. J.  
Ontario Metal Supply, Inc. (Rod only) \*Rochester  
Joseph T. Ryerson & Son, Inc., Jersey City, N. J.,  
Buffalo  
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\*Brooklyn, White Plains

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Jones & Laughlin Steel Warehouse Div.  
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Jones & Laughlin Steel Warehouse Div., Cincinnati  
Jos. T. Ryerson & Son, Inc., Cincinnati, Cleveland  
Kasle Steel Corporation, Cleveland  
Mutual Manufacturing & Supply Co., \*Cincinnati  
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**OREGON**  
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Collins-Edmonds, Inc. \*Philadelphia (Welding Wire)  
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Merchant & Evans Co., \*Philadelphia  
Morgan Aluminum-Welding Rod Co., Mt. Carmel, Pa.  
(Welding Wire)  
Penna. Industrial Supplies Co., Inc., \*Pittsburgh  
Jos. T. Ryerson & Son, Inc., Philadelphia, Pittsburgh

**RHODE ISLAND**  
The Congdon & Carpenter Co., \*Providence

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Memphis, Nashville  
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Nashville

**TEXAS**  
Allied Metals Inc., \*Houston  
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**UTAH**  
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**VIRGINIA**  
Reynolds Aluminum Supply Co., Richmond

**WASHINGTON**  
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California (Tubing & Pipe) Seattle

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Milwaukee Bridge Company, \*Milwaukee  
(Architectural)  
Joseph T. Ryerson & Son, Inc., Milwaukee  
\*Indicates main office

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## The Survey— In a Nut-Shell . . .

1. Christmas gift P.A.'s most want from suppliers . . .

Good service.

2. Do most companies (or purchasing departments) have policies against receiving vendor Christmas gifts?

No 77%  
Yes 23%

3. Are more P.A.'s lately adopting policies against receiving Christmas gifts from vendors?

No. 81% of companies with policies against gifts have had policies in effect over three years.

4. Do P.A.'s who accept gifts place limitations on them?—What is the nature of limitations?

Yes, most do. Limits are mostly in dollar value (ranging from \$3 to \$100)—and accepted only from old and/or large suppliers.

5. Do buyers' companies give gifts to customers?

Among companies with policies AGAINST receiving gifts; Yes 40%; No 60%. Among companies with NO policies against receiving them; Yes 68%; No 32%.

6. What is done with gifts received by P.A.'s in companies having policies against receiving them?

Most return. Some donate to company Christmas party, Salvation Army, etc. Some accept, but re-impress donor with company policy against practice.

# U.S. Pressure Eases Some 'Dollar Discriminations'

**Washington** — Under the strongest kind of pressure from Washington, U. S. allies are one-by-one removing their so-called dollar discriminations against American exports.

But the removal of dollar discriminations by foreign governments does not necessarily lower all barriers. Tariffs, quotas, and other hurdles still remain.

Some import liberalizations already have been made over the past two years by British Commonwealth and European trading partners. But the recent plea by U. S. Undersecretary of State C. Douglas Dillon at meetings of the G.A.T.T. (General Agreement on Tariffs and Trade) in Tokyo brought immediate moves by Great Britain and France, and definite promise of a similar move by Japan.

## Lifting Quantity Controls

What England and France are doing is lifting quantitative restrictions on imports of goods that sell for dollars. By 1960 or 1961, Washington hopes, no U. S. trading partner with a sound treasury and financial position will still maintain limits on its dollar purchases. The United States agreed to these restrictions at a time when its allies were short of dollars—a condition that for the most part no longer exists.

But where some of these restrictions have been or are about to be removed does not necessarily mean an unlimited flow of goods from the United States to those nations.

One Commerce Department trade expert estimates that even if every other country scrapped its restrictions on dollar goods

purchases, the total benefit accruing to U. S. exports might not run more than \$100-\$150 million a year.

The catch is that foreign nations have many other trade restrictions — tariffs, customs taxes, licensing regulations—just as does the U. S. The so-called dollar discriminations for the most part are specific quota limits on foreign imports of products which must be paid for in U. S. dollars.

There are other factors at play, too, which tend to diminish the

effect of the quota removals. Take U. S. chemical exports, for example. Despite the over-all drop in U. S. sales overseas during the past two years, chemical exports are still running at annual rate of nearly \$1.5 billion, or almost five times the dollar value of chemical imports into the U. S. from abroad.

## How Much More?

This fact raises serious question as to how much more foreign nations will buy from the U. S. in the way of chemical

products, even in an unrestricted market situation. And many foreign restrictions against chemical imports remain on the books.

But even government trade experts say that the real boost for U. S. exports must come from a stepped-up drive by industry itself, which may not realize the export potential that does exist. Better terms of credit, delivery, better credit and delivery terms, plus tailoring of U. S. exports to foreign markets, tastes, and needs is what is needed, this argument runs.

## Reading Railroad Buys 43 New Piggyback Cars

**Philadelphia** — To keep the pace with its rapid expansion of piggyback services, the Reading Railroad has purchased 43 new 35-ft. tandem-axle trailers at a cost of \$247,000. This brought to 143 the number of such trailers purchased by the line thus far in 1959 in its program of piggyback expansion.

The trailers will be used for both trailer-on-flatcar services of the railroad and for over-the-highway general hauling by its subsidiary, the Reading Transportation Co.

## Erie Has to Sell Firm It Acquired

**Washington**—The Federal Trade Commission recently ordered the Erie Sand & Gravel Co. to sell the assets it acquired in 1955 when it bought out a competitor. According to the Federal Trade Commission, the acquisition violates the Clayton Act's anti-merger provisions.

Erie Sand & Gravel sells lake sand it dredges from Lake Erie to various customers in Ohio, New York, and Pennsylvania. At a price of \$1 million, it acquired Sandusky Division of Kelley Island Co. when Kelley liquidated its business. In addition to various dock properties located in Ohio and Pennsylvania lake ports, Erie Sand & Gravel acquired three dredging vessels in the deal.

## Sand-Gravel Monopoly Seen

In upholding an F. T. C. examiner's decision in the case, the full commission says the acquisition eliminated a substantial competitor and may give Erie Sand & Gravel a monopoly in the sale of lake sand in a market area covering the southern shore of Lake Erie from Buffalo, N. Y., to Sandusky, Ohio, and extending 12 miles inland.

Among other things, F. T. C. says Erie Sand & Gravel and Sandusky Division together accounted for over 91% of sales of domestic lake sand in the market in 1954.

Paint  
is a  
prime  
example

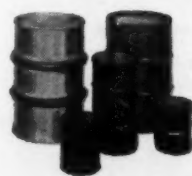


## There's a USS steel container to meet almost every shipping need

Whatever you ship — paint, chemicals, petroleum, food — wherever it goes, its quality is secure in a USS steel container. USS steel drums and pails are precision-fabricated of carbon or stainless steel and fitted with any standard closure. Carbon steel containers are rust-inhibited, inside and out, and specified linings can be applied to protect your product's purity. Complete facilities are available to decorate containers with

any design in bright, durable colors to your specifications. Call the USS man at one of the plants or offices listed below. He can help you select the right steel shipping containers for your product. Delivered where and when you need them.

**Headquarters:** New York City. **Plants and Sales Offices:** Los Angeles, Alameda, Calif. • Port Arthur, Texas • Chicago, Ill. • New Orleans, La. • Sharon, Pa. • Camden, N. J.



**United States Steel Products**  
Division of  
**United States Steel**



# Texas P. A. Bets 10-Gallon Hat on Better Value

Improved Specifications, Bid Scheduling System Lets State Buy More Goods for Less Administrative Cost

Austin, Texas—The State of Texas will spend some \$100 million this year for supplies and services and will get better value for less administrative cost than ever before.

This is the prediction of William J. Burke, director of the Texas Board of Control the state's purchasing arm—and Burke insists he'll follow Labor Secretary Mitchell's hat-eating trick if he's proved wrong.

## Better Specs and Bidding

His confidence in growing economies stems from the improved specifications and bid scheduling system that he helped develop over the past three years. This year's \$100 million in state purchases will be accomplished, for instance, with only 16 buyers, only two more than in 1955 when the state spent \$65 million.

One of the first things Burke did after taking the executive directorship was to assign Hubert Knight, a career state employee, to the job of developing better and more exact standardized bid specifications. Lack of standards long had been an expensive headache for the state buying agency.

While there has been some monetary saving—a result that will be long range—there already is a noticeable improvement in the quality of merchandise which the state buys, and a great saving in manpower required for the big buying operation.

## Paint Specs Pay Off

The development of specifications for paint is one striking example of what has been done under the new system. After a year's study and research, the Texas Board of Control established a series of specifications for three types of oil-based paint and two of water-based. These were developed with the cooperation of major paint manufacturers and the State Highway Department testing laboratory.

The result is that any state agency needing paint can be assured of high quality at moderate prices. The Board of Control also has a contract for tinting colors.

"We've eliminated the wide fluctuation in price and stabilized quality in paint, a product which had been a major headache for state buyers from time immemorial," Burke explained.

## Improvements in Tires

He also pointed out that the Texas board spent almost three years preparing specifications for a high-speed tire to be used on police cars. After much research, the board asked for bids according to its standards on a nylon cord tire with prescribed heat dissipation qualities.

"We now have practically no balancing requirements on our high-speed tires, and no problem of tread loss," Burke added.

Knight, his specifications chief, explained that the search for standard specifications starts with a search of the files for complaints from state agencies using the product under consideration. He said he then writes to manufacturers for literature on their

products, and to the federal government for its specifications.

"We then come up with proposed specifications, which are sent to the using state agency and to the prospective bidders," Knight explained. "After a meeting with manufacturers and users, we come up with final agreed specifications on which we ask for formal bids."

Scheduling purchases in quan-

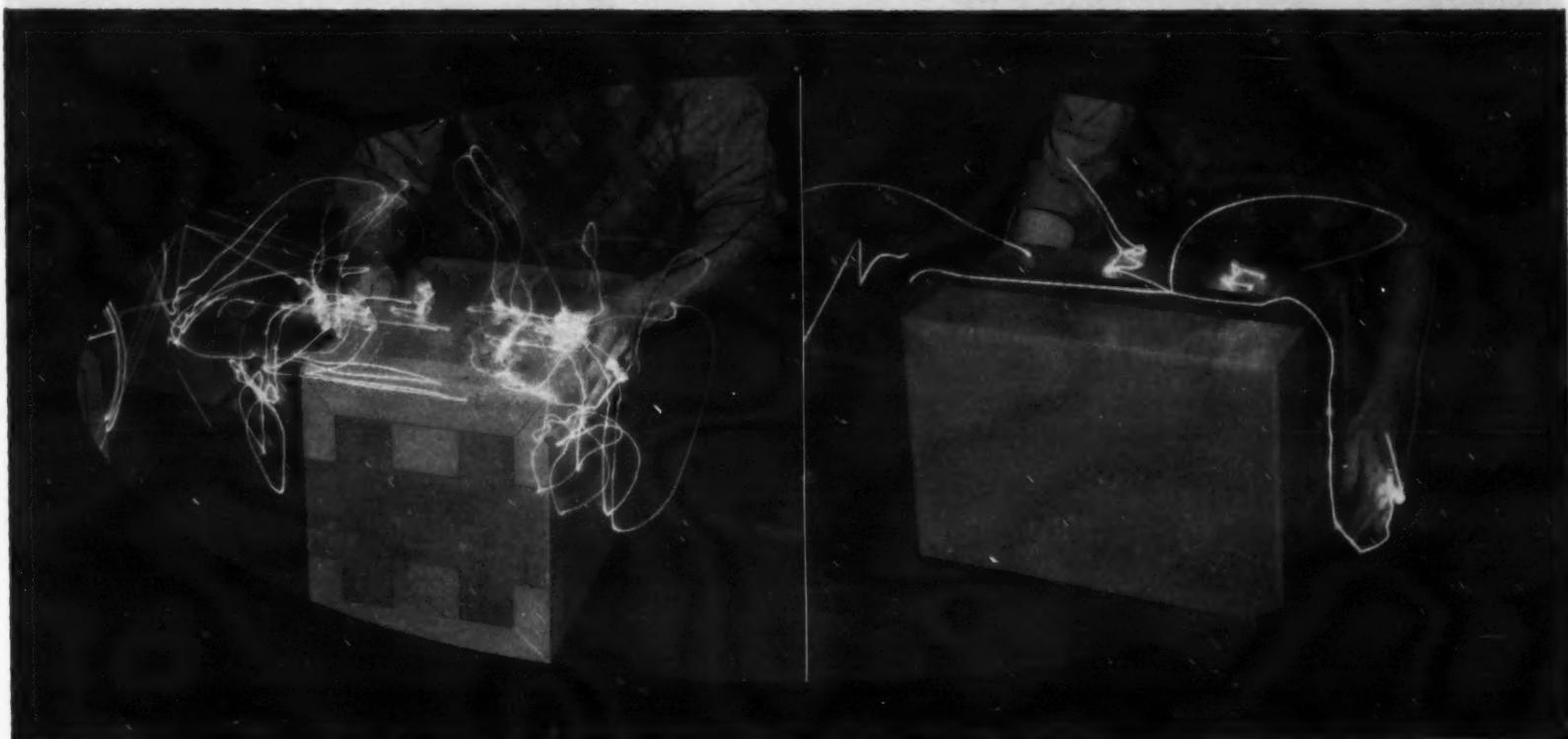
tity, a prime benefit of using standard specs, also has been a money saver for the state. Filing cabinets, for example, now cost \$15 apiece less than they did when bought individually or in small lots.

Right now, explained Burke, whose buying experience covers both industry and government, the agency is trying to write specifications on brine-packed tuna-fish. This has no U. S. Department of Agriculture grading, on which the Board of Control relies for most food purchases.



STREAMLINED BUYING through standard specs is discussed by W. J. Burke, head of Texas buying agency and Hubert Knight, assistant.

## The Ludlow Method with SNAKETAPE® and GLASPUN® seals 3 TIMES FASTER... 278% STRONGER



**OLD WAY (120 Seconds)** White lines show actual motions required for sealing just the top of a container with plain paper tape.

**LUDLOW METHOD (40 Seconds)** The same job is done in a single motion. And tough multi-directional fibre reinforcements make closures nearly 3 times as strong.

## The tapes that broke the six-strip habit!

Ludlow's reinforced tapes, SNAKETAPE and GLASPUN, are so strong that only two strips are required to seal your cartons instead of the six strips required when plain paper tapes are used. This faster, stronger center seam closure method actually reduces your tape application costs by 66%. Both SNAKETAPE and GLASPUN are approved for shipment on all carriers, including railroads under U.F.C. Rule 41.

Be sure to specify Ludlow reinforced tapes — either glass-reinforced GLASPUN, or world-famous SNAKETAPE, the only reinforced tape with rayon reinforcement. The Ludlow name is your best assurance of uniform quality and dependability.

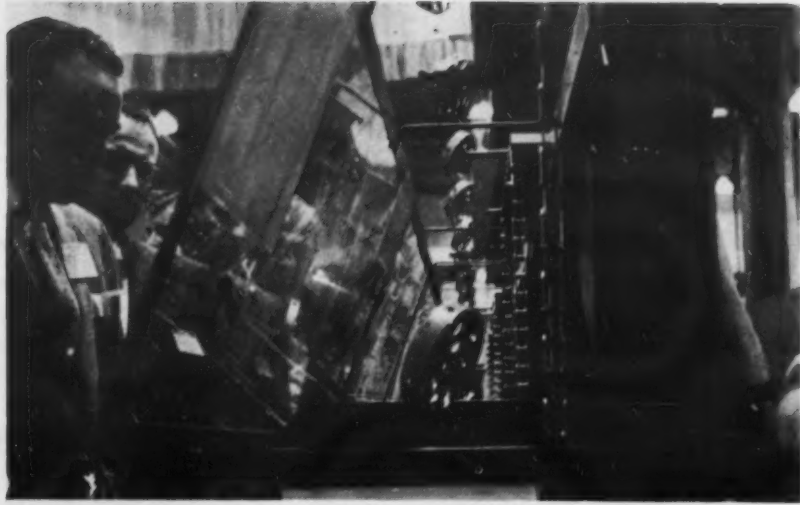
Automation minded? Write for information on the Ludlow method of completely automatic two strip sealing.

Both SNAKETAPE (A) and GLASPUN (B) are available with either asphalt or non-staining laminants.



VPI-Coated Papers • Greaseproof Papers • Waterproof Papers • Poly-Coated Papers • Gummed Tapes • Federal Spec. Papers • Label & Specialty Papers • Plastics

For more information on how the Ludlow method can save you time and money in your shipping room, see your Ludlow distributor or write to LUDLOW PAPERS, Inc., Needham Heights 94, Massachusetts.



## What P.W. Saw at the National Metals Show



### Punch Press

30-in. Throat

Single station machine used for short run die punching (30 in. by any length) and production run pantograph duplicating (25 x 30 in.). Punching capacity ranges from 3½-in. hole in 16-gage mild steel to ½-in. hole in ¼-in. mild steel with tolerance of  $\pm 0.005$ .

Price: \$9-\$9,500 (approx.). Delivery: April '60.

Wales Strippit, Inc., 231 S. Buell Rd., Akron, N. Y. (P.W., 11/23/59)



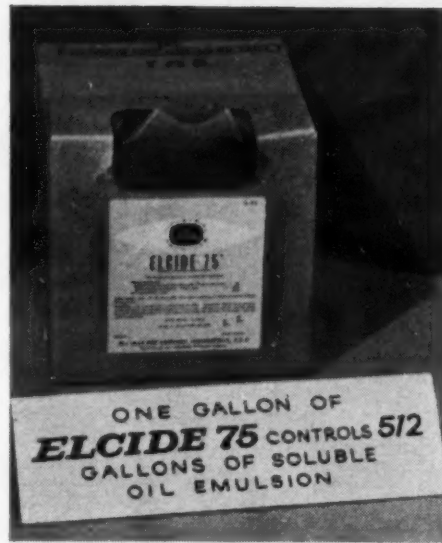
### Drill Pointer

Produces Helical, Conventional Points

Drill pointer will produce concentric (0.002) helical and conventional points in continuous operational cycle. Small drills can be pointed in 3 seconds. After the drill point has been formed on 20 in. diameter grinding wheel, the drills are automatically ejected. User has choice of 4 power operated work heads that accommodate various drill diameters. complete unit is approximately 36 x 48 x 54½-in.

Price: \$5,950 (base). Delivery: 2 months.

Winslow Product Engineering Corp., 47 St. Joseph St., Arcadia, Calif. (P.W., 11/23/59)



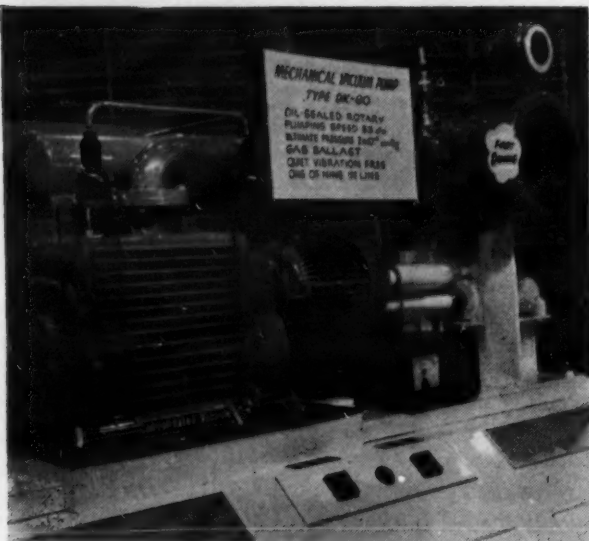
### Additive

Extends Cutting Fluid Life

Solution controls bacteria in soluble oil emulsions eliminating sludge formation and rancid odors—also stops build-up of acid by-products that may corrode machinery and products. Treatment of 1 oz. for every 4 gal. of fresh emulsion is said to extend the useful life of coolants and cutting fluids up to 5½ times. Solution is packaged in 1, 5 and 55-gal. units.

Price: \$8.50 (1 gal.). Delivery: immediate.

Eli Lilly & Co., 740 S. Alabama St., Indianapolis 6, Ind. (P.W., 11/23/59)



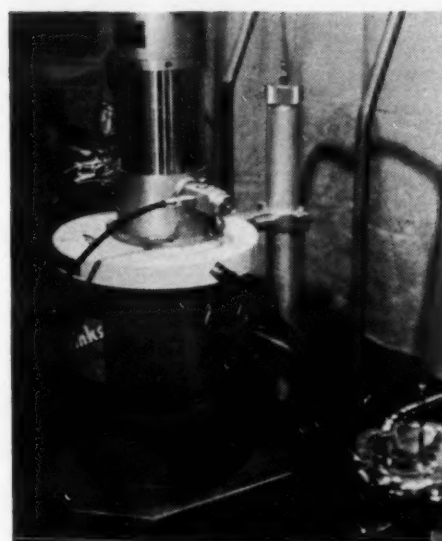
### Vacuum Pump

Gives Low Pressure

Line of air-cooled, oil-sealed rotary pumps uses rotating plungers with integrally-cast slide valves to provide pressures under 1 mm Hg. Unit consists of pump, drive, and motor constructed on building block principle to facilitate maintenance.

Price: \$750 (20 cfm.) to \$1,860 (106 cfm.). Delivery: immediate.

Consolidated Vacuum Corp., 1775 Mt. Read Blvd., Rochester 3, N. Y. (P.W., 11/23/59)



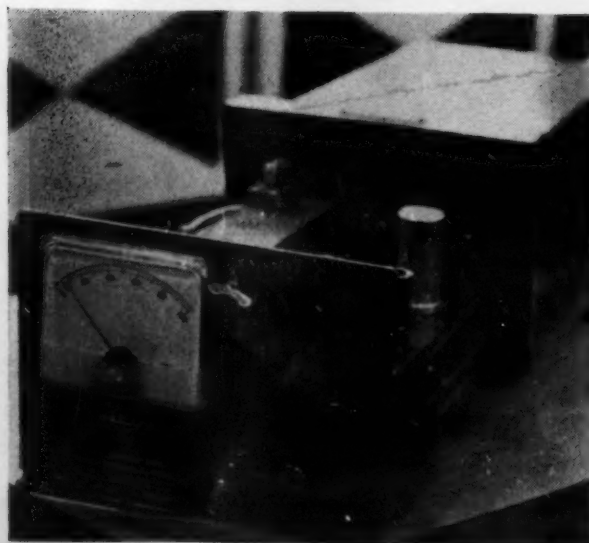
### Spray Painting System

Uses No Air

Hydraulic action moves from the original container through the pump which creates high pressures of up to 3,000 psi. without use of air. High velocity of the fluid (which is forced through the special spray tips) atomizes it into extremely fine particles, in a preselected spray pattern determined by choice of spray tips.

Price: \$900 (approx.), 10 gal. portable unit. Delivery: immediate.

Binks Mfg. Co., 3114-44 Carroll Ave., Chicago 12, Ill. (P.W., 11/23/59)



### Atmosphere Analyzer

Measures Gas Content

Portable, 30-lb., infrared analyzer is designed to measure dew point, methane content, carbon monoxide and carbon dioxide in either broad or very narrow ranges. It can handle furnace atmosphere and combustion control problems.

Price: \$1,250. Delivery: 45-60 days.

Mine Safety Appliances Co., 230 N. Braddock Ave., Pittsburgh 8, Pa. (P.W., 11/23/59)



### X-Ray Unit

Has High Power Range

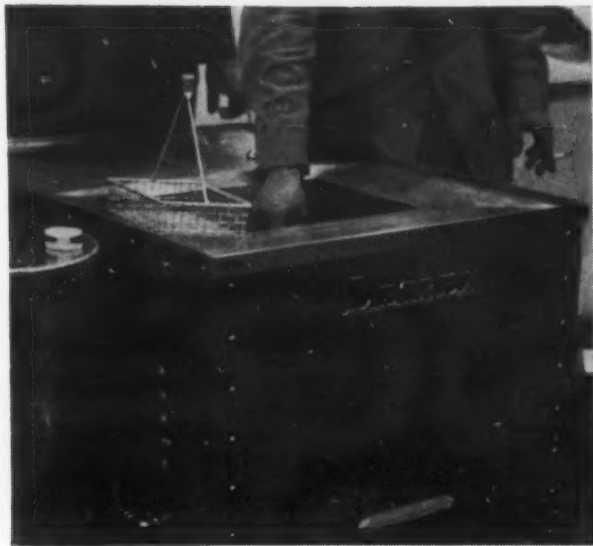
Unit weighs 150 lb. and combines power rating of 300 kv. with penetration capability of up to 4 in. in steel. Industrial X-ray machine can be used to inspect variety of parts or finished assemblies, from thin walled aluminum and magnesium castings in the plant to 4-in. thick steel weldments in the field. Unit consists of X-ray head, control panel, and two carrying cases. It is 46¼-in. long, 12¼-in. dia.

Price: \$6,900. Delivery: 60-90 days.

Balteau Electric Corp., New & Meadow Sts., Stamford, Conn. (P.W., 11/23/59)

# New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



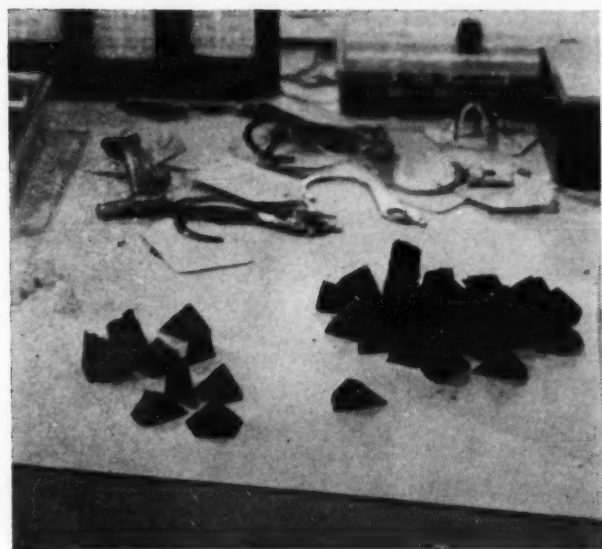
## Ultrasonic Cleaner

Holds 10-gal.

Generator and cleaning unit combine to clean precision parts in work clearance area of 15 x 12 x 14 in. Welded stainless steel construction of cleaning unit permits use of variety of solutions; unit will hold 8 to 10 gal.

Price: \$1,315. Delivery: immediate.

Defrex Chemical Industries, Inc., Box 501, Detroit 32, Mich. (P.W., 11/23/59)



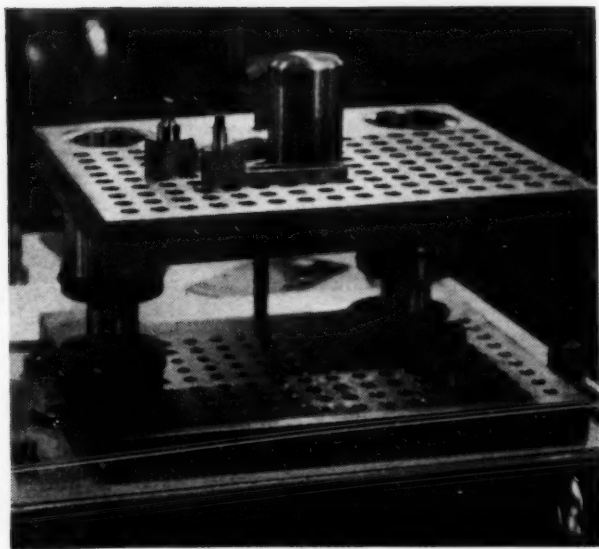
## Barrel Finishing Media

For Zinc Die Castings

Media in truncated pyramid shape gives fast cut-down, permits zinc die castings to be barrel finished to low micro-inch surface. Finish will protect workpieces against surface impingements and permit part to take a plate finish comparable to that of a hand-buffed piece.

Price: 78½¢ lb. Delivery: immediate.

Minnesota Mining & Mfg. Co., 900 Bush Ave., St. Paul 6, Minn. (P.W., 11/23/59)



## Die Set

Dies Are Interchangeable

Pegboard hole pattern on top and bottom of die set allows minimum punching centers of ¾ in. Over 30 round, oval, rectangular, or special dies can be punched simultaneously in 16-gage mild steel or ⅛-in. aluminum in a 9x12-in. area.

Price: Base—From \$195 (9x12 in.). Die set from \$5. Delivery: immediate.

O'Neil-Irwin Mfg. Co., Lake City, Minn. (P.W., 11/23/59)



## Temperature Indicator

Gives Rating Choice

Indicator available in stick, pellet, and liquid form, will tell metallurgist or metalworker when surface has reached a specific temperature. User may choose rating from 113 to 2,000 F. When metal surface reaches desired temperature, mark will liquefy.

Price: \$2 (stick). Delivery: immediate.

Markal Co., 3052 W. Carroll Ave., Chicago 12, Ill. (P.W., 11/23/59)

This Week's

## Product Perspective

NOVEMBER 23-29

The machine tool—once the sole star in metalworking shops—today is being surrounded by a colorful supporting cast. You could plainly see this at the National Metals Show (Chicago, Nov. 2-6) where such names as "electrostatics," "ultrasonics," and "numerical controls" were banded about on all sides.

One exhibitor summed it up for PURCHASING WEEK this way: "In this business you can't sit still, I've been in metalworking 18 years and every moment I've had the feeling that technology was about to leave me behind."

Companies report that many developments bumping along slowly in recent years now have started to really take off. G.E. claims this will be the best year ever for its numerical machine controls. A manufacturer making spark discharge machines says business may be triple last year. Columbus Coated Fabrics says it is working three shifts, seven days a week in order to meet vinyl coated steel needs. And so it goes.

Painting is not just a brush and can operation. Newest processes include:

- **Electrostatic**—Puts opposite charge on paint and object to be sprayed. Paint is attracted to object and deposited in thin even coat. Can only be used on metal objects. **Paint waste is virtually eliminated, and conventional booth equipment is not necessary (but equipment costs more than compressed air systems).** Electrostatic guns are available in a wide range of styles and sizes, including both hand and booth models.

- **Airless**—New model spray guns need no compressed air to atomize the paint. The paint is warmed and then sent through the gun under high pressure. It atomizes as it passes through the narrow gun tip. **This system doesn't give the even finish of a conventional spray. It is recommended for maintenance operations and semi-finished spraying, such as on large oil tanks. Paint waste is cut way down.**

- **Trichlorethylene**—Replaces conventional thinner with trichlorethylene (see story p. 33). A non-flammable chemical eliminates fire hazard. Fast drying properties simplify drying operations.

- **Ultrasonics**—Only recently making a dent in the small parts cleaning field, high frequency sound is now also being used for **measuring and non-destructive testing.** Gages can measure thickness from hundredths of an inch to three or four feet. Results can be read off a meter, or if you need a permanent record, inked on a chart. Testing instruments detect hidden flaws in metal.

Cleaners are no longer a novelty item. Small, big, automatic, manual—take your pick. Over half a dozen different companies showed ultrasonic cleaners at Chicago. They say business has never been better. New units are going into electronics, precision assembly lines. Parts are lowered into the cleaning solution, come out clean a few seconds later.

- **Chromium boride—titanium monoxide—tantalum—new metals under development seem endless.** Spurred on by the needs of the missile and atomic industries, metal makers have been busy developing a host of new materials to meet special applications. Manufacturers are carefully evaluating every product that the lab comes up with. **They realize that they will have to sell it on a cost basis once they step outside the defense area.** If you have a metal problem (like excess wear or corrosion on a particular part) talk to the metal companies—they may well have something that will fill the bill.

- **Vinyl coated steels are catching on in a wide variety of places.** Coated steel can be formed and die cut without damaging the finish. Vinyl adds about 6¢ a sq. ft. to original cost; but no further finishing is needed. Manufacturers can't fill all the orders now and expect a huge growth in the next year.

Foreign machine tools outnumbered their American counterparts at the show. Local distributors exhibited a complete range of machine tools from all over the world including Sweden, Switzerland, Germany, Canada, Belgium, France, and England.

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**DYNAPRENE®**  
PORTABLE  
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REPUTATION

DYNAPRENE Portable Cord appeals to wise buyers because it is a long-lasting, sturdy cord that stands up under really rugged work conditions.

DYNAPRENE is jacketed with an extra tough neoprene compound cured by the continuous vulcanizing process . . . a process that makes better cordage.

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## Profitable Reading for P.A.'s

### New Books

**Case Studies on Variety Reduction.** Published by Organization For European Economic Cooperation, Suite 1223, 1346 Connecticut Ave., N. W., Washington 6, D. C. Vol. 1—118 pages, Vol. 2—100 pages. Price: \$1.25 each.

The European Productivity Agency Project No. 184 is a collection of concrete case studies of firms that have improved their productivity, either by variety reduction or standardization.

Matters discussed are of particular interest to heads of firms and technicians who recognize the importance of productivity and specialization in an expanding European market.

A wide range of cases is given so that the reader may find a study that corresponds to his own circumstances, however the techniques described are general enough to apply to many different industries.

Vol. 1 covers furnishing (mattresses), cycle industry, glass industry, packaging (footwear), electrical equipment, mechanical equipment, railway rolling-stock and confectionary. Vol. 2 talks about a large store, a wholesaler's (stationary and office equipment), paper manufacturer, mechanical engineering (compressors), and heating appliances (cookers).

### From the Associations

#### Equipment Leasing Study

(20 pages) Contains data charts that analyze the comparative costs of leasing, outright cash purchase, and purchase by conditional sales contract. Outlines specific situations where it is advantageous or disadvantageous to lease equipment. A copy may be obtained by writing to the *Foundation for Management Research*, 121 W. Adams St., Chicago 3, Ill.

### From the Manufacturers

#### Volt Ammeter

Bulletin GEA-6292C (4 pages). Gives description of company's line of pocket-size, hook-on volt ammeters for testing a-c voltages. Lists applications, current ranges, accuracy percentage, etc. *General Electric Co.*, Schenectady 5, N. Y.

#### Water Heater

Bulletin 4 (20 pages). Describes the three basic systems of company's self-contained storage water heater—the gas-burning unit, forced circulation transfer fluid system and the service water system. Includes standard weights, capacities, materials of construction, etc. *Patterson-Kelley Co., Inc.*, East Stroudsburg, Pa.

#### Electric Eye Application

Bulletin No. 571 (16 pages). Contains information on miniaturized electric-eye applications for counting, sorting, monitoring, etc. as applied to packaging, printing, and general production. Includes specific in-plant installations, circuitry, speed, relays,

etc. *Photomation, Inc.*, 96 South Washington Ave., Bergenfield, N. J.

#### Lithium Metal

Bulletin 101. Technical data sheet on lithium metal. Gives information on lithium and air, ammonia, carbon, halogens, water, and other elements. Includes applications, nuclear power, corrosion and handling, shipping regulations, etc. *Foote Mineral Co.*, 18 W. Cheltenham Ave., Philadelphia 44, Pa.

#### Specialty Steels

(40 pages). Specialty steel described include tool and die steels, stainless steels, high temperature alloys, tubing and pipe, fine wire specialties, etc. Contains a tool steel selector chart which provides a system of matching tool steels. *Carpenter Steel Co.*, 3023 West Bern St., Reading, Pa.

#### Surfactants

(44 pages). Contains data for eight nonionic and four anionic surfactants, including selection, solubilities, formulations, test methods, shipping, etc. The surface active agents are used in the formulations of adhesives cosmetics, emulsion paints, gas well treating agents, metal cleaners, sanitizers, etc. *Union Carbide Chemicals Co.*, 30 E. 42nd St., New York 17, N. Y.

#### Control Equipment

Bulletin No. PI-959 (12 pages). Gives information on company's process industry measurement and control equipment. Some topics covered are: continuous level measurement systems, continuous density measuring systems, container fill control systems, etc. *Industrial Nucleonics Corp.*, 650 Ackerman Rd., Columbus 14, Ohio.

#### Direct-Fired Heaters

Catalog SA-5900 (28 pages). Describes company's line of gas-fired heaters, furnaces, and packaged blowers. Catalog enables reader to select heaters and furnaces according to type, application, capacities, etc. *Renzor Mfg. Co.*, Mercer, Pa.

#### Metal Fasteners

1960 catalog gives references for threaded and headed fasteners. Includes up-to-date list prices which reflect the most current changes. *Atlas Screw & Specialty Co., Inc.*, 450 Broome St., New York, N. Y.

#### Ball Bearings

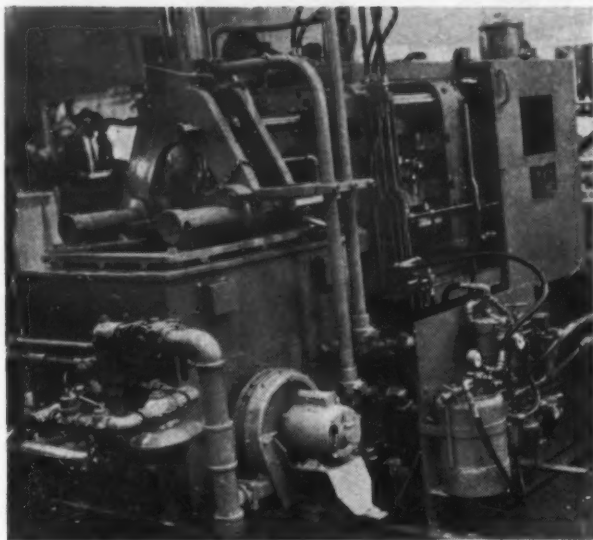
Catalog No. 60 (24 pages). Describes company's cast iron pillow block, 4-bolt and 2-bolt flange units, and take-up units and frames. These units are available with sealed precision ball bearing cartridges in shaft sizes from 1/2 to 2 1/8 in. *Roberts Mfg. Co.*, Box 111, Salina, Kan.

#### Control Transformers

Bulletin 14-B101 Shows per cent of rated load and secondary voltage drop for control transformers. Lists 420 calculations including dimensions of all ratings, proper selection, list prices, etc. *Acme Electric Corp.*, Cuba, N. Y.

# Your Guide to New Products

(Continued from page 31)



## Die Casting Machine

### Continuous Cycling

Gas-fired furnace with overhead mounted gooseneck supporting bridge has 2 injection positions. This 200-ton hot chamber machine will operate at over 900 cycles per hr. Typical 6-lb. zinc die casting can be produced at 1,800 psi. injection pressure.

Price: \$16,000 (approximate). Delivery: 1-4 mo.

Kux Machine Co., 6725 N. Ridge Ave., Chicago 26, Ill. (P.W., 11/23/59)



## Hydraulic Hand Press

### Straightens Rod

Press eliminates need to move shafts from straightening anvils for checking. Pressure required to straighten small diameter shafts can be determined quickly by reading pressure gage. Press is available in 28 and 48-in. bed widths and has 8,000-lb. pressure capacity.

Price: \$1,900 (complete). Delivery: immediate.

Anderson Bros. Mfg. Co., 18th & Kishwaukee Sts., Rockford, Ill. (P.W., 11/23/59)



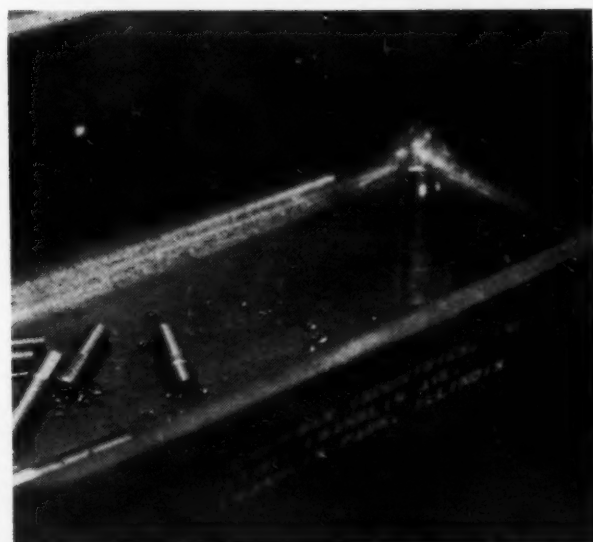
## Electrolytic Cutter

### Machines by Electricity

Electrolytic machining unit sinks die cavities by removing 18 to 60 cu. in. of metal per hour, while producing 10 to 100 microinch finish. Machine works on electrochemical principle to dissolve metal. Normal accuracy is 0.001 to 0.002 in.

Price: \$35,000 to \$40,000. Delivery: 6 mo.

Anocut Engineering Co., 631 W. Washington Blvd., Chicago 6, Ill. (P.W., 11/23/59)



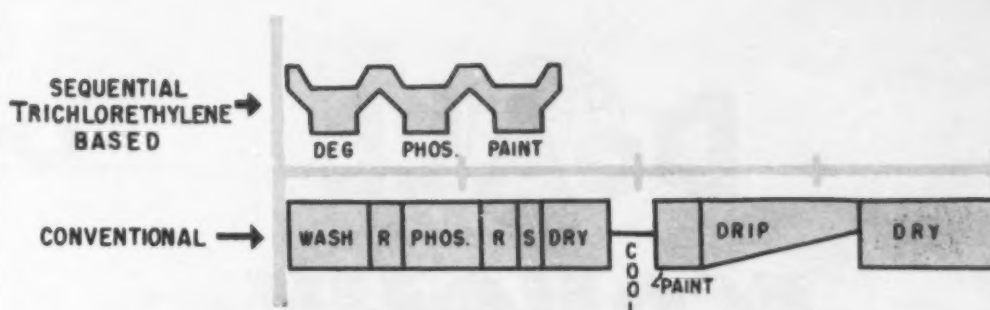
## Cutting Oil

### Has High Transparency

Active sulfur and special chlorinated compound in cutting oil provide high degree of transparency when working with broad range of ferrous metals. Oil protects tools during high speed, heavy duty metalworking operations. Viscosity S.Y.S. 180-195.

Price: 50¢ gal. Delivery: immediate.

Sinclair Refining Co., 600 Fifth Ave., N. Y. 20, N. Y. (P.W., 11/23/59)



## Here's How New Finishing System Works

In new system, soiled metal part enters the three-stage unit (top) and is: thoroughly cleaned by trichlorethylene vapor-spray degreasing (2) phosphatized by one dip in the solution and (3) dip painted with trichlorethylene-based paint. Finished part emerges from the unit completely dry when lacquer is used, or ready for a baking step in the case of curing paint. Conventional system (below) needs drying ovens and drip pans—may take up to 12 steps to do the same job new system accomplishes in three steps.

# New Three-Step Process Cuts Costs Of Cleaning and Painting Metal Parts

Wilmington, Del.—A new coating process cuts down the number of steps needed to clean and paint metal parts. Heart of the system is a new phosphatizing solution that replaces the water conventionally used with a chemical, trichlorethylene.

The chemical, adapted to the process by Du Pont, was previously used in degreasing and painting solutions. It dries almost immediately, eliminating heating operations.

The complete system consists of three steps; vapor degreasing, dry phosphatizing, and non-flammable painting. The vapor degreasing operation has been standard for several years, the painting process is fairly recent, and now phosphatizing fills the missing link.

"Triclene" finishing cuts processing costs in four areas:

• **Equipment**—Costs cut up to 50%. Because it is an anhydrous (contains no water) solution, parts emerge from cleaning and phosphating steps almost completely dry, eliminating ovens. For the same reason, drip pans and heating areas can be eliminated from the painting line. Total conveyor length may be reduced up to 55%.

• **Operating**—Operating costs can be cut up to 30% through savings in raw materials. Trichlorethylene thinner makes recovery of almost 100% of paint over-spray and excess solvent for re-use. Since

it is anhydrous, heat requirements are drastically cut.

• **Plant space**—Because fewer steps are needed, space requirements may be halved. A conventional wet cleaning, phosphatizing, and dip-painting system requiring 1,520 sq. ft. of space could be replaced with a "Triclene" finishing system requiring 695 sq. ft.

• **Safety**—Chemical is non-flammable—virtually eliminates fire and explosion hazards of many conventional solvents.

The three basic processes can be used in various combinations or incorporated singly into an existing finishing system. Various dip or spray cycles can be selected for each step. Du Pont supplies the chemical and G. S. Blakeslee & Co. of Chicago has devised a line of equipment to use the new process.

Metal parts are given the phosphate coating by dipping or spraying with the solution maintained at its boiling point (188 F). The coating, as formed on steel, is a strongly adherent form of iron phosphate which provides an excellent paint base. Coating weights from 40 mg. per sq. ft. to over 200 mg. per sq. ft. can be achieved in from one-half to three minutes. Coatings can also be produced on other metals such as aluminum, magnesium, and zinc.

The new process will be commercially available in mid-1960 and is now operating on a field trial basis.

## How Du Pont Compares Costs

Example: 15 x 42-in. steel shelves are cleaned, phosphatized and painted at a rate of 480 an hour.

	Trichlorethylene Vapor degreasing, anhydrous dip phosphatizing, dip painting.	Conventional 5-stage wash— phosphate, dry-off oven, dip paint, drip area, and drying oven.
<b>Hourly Finishing Costs</b>		
Materials (including solvent, chemicals, paint, thinner) . . .	\$23.30	\$25.70
Utilities (including heat, water, electricity) . . . . .	.90	5.40
Operating Labor . . . . .	8.30	8.70
Investment Carrying Cost . . . .	6.10	10.00
All Other Costs (including maintenance, depreciation, insurance) . . . . .	3.10	4.50
<b>Total "High-Spot" Hourly Finishing Cost . . . . .</b>	<b>\$41.70</b>	<b>\$54.30</b>
<b>Estimated Annual Saving . . . . .</b>		<b>\$50,000.00</b>
<b>Investment Required</b>		
Equipment (approximate installed) . . . . .	\$42,000	\$73,000
Floor Space . . . . .	8,400	23,500
Utilities (allocated) . . . . .	3,900	24,400
Working Capital . . . . .	67,400	78,800
<b>Total Investment Required . . . . .</b>	<b>\$121,700</b>	<b>\$199,700</b>
<b>Total Floor Space Required . . . . .</b>	<b>695 sq. ft.</b>	<b>1,520 sq. ft.</b>

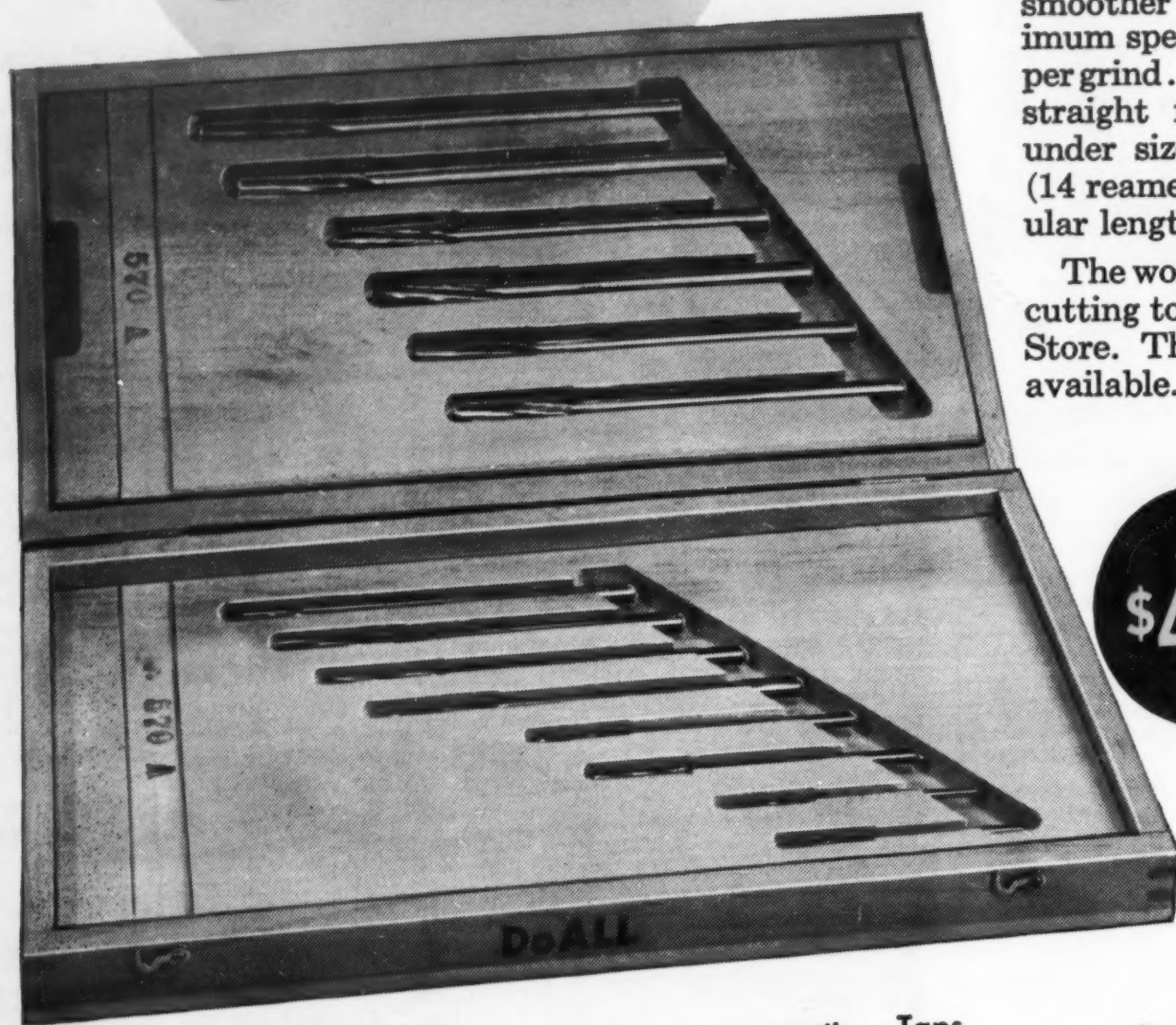
# DoALL ECONOMY SPECIAL

## Over and Under Size REAMER SET

Proof that there's no better buy than DoALL quality, DoALL-priced.

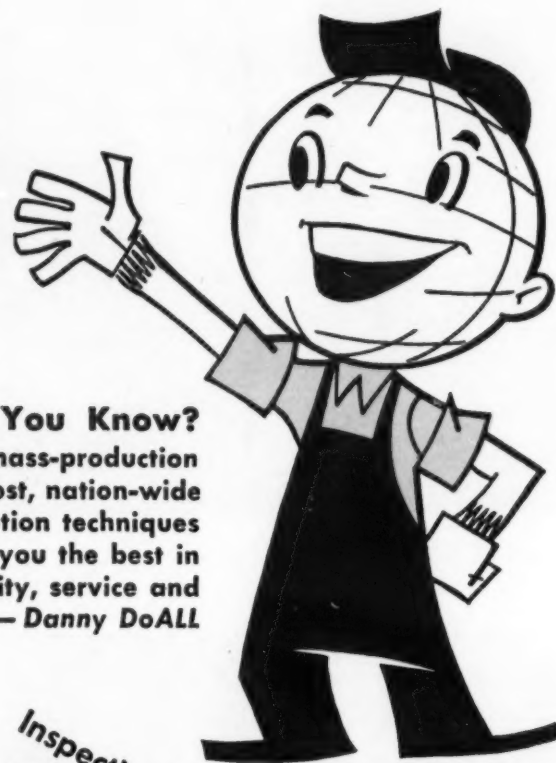
A set of 14 laboratory-inspected, high-speed reamers are ground on both faces for smoother finish on holes. They allow maximum speed and feeds...produce more holes per grind...reduce down time. Straight shank, straight flutes .001" over size and .001" under size.  $\frac{1}{8}$ " through  $\frac{1}{2}$ " by 16ths. Set (14 reamers—sizes .1240 through .5010, regular length) including case. No. D5333.

The world's largest selection of top-quality cutting tools, available at your local DoALL Store. There are 27 different reamer sets available.



only  
**\$43<sup>60</sup>**

**Did You Know?**  
DoALL mass-production and low-cost, nation-wide distribution techniques give you the best in quality, service and prices. — Danny DoALL



CT-41

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**AT YOUR LOCAL DoALL STORE**  
all laboratory-inspected

**TO CUT EVERY METAL AND MATERIAL**

**DoALL BAND SAW BLADE**

**Slitting Saws** **Hack Saws** **Saw Bands** **Milling Cutters** **End Mills** **Reamers** **Drills** **Taps** **Files** **Hand Files** **Machine Files** **Inspection Tools** **Gage Blocks** **Turning Tools** **Drill Rod** **Tool & Die Steel** **AIR HARDENING** **OIL HARDENING** **Grinding Wheels** **Dies** **Black Granite** **DoALL File Bands**

**Reach for Your DoALL Catalog**

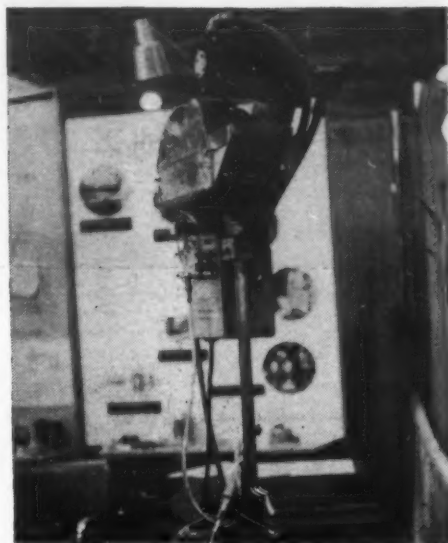
**Machines and Blade** **Band Saws** **Surface Grinders** **Power Saws**

**THE DoALL COMPANY**  
**DES PLAINES, ILLINOIS**

**Find Your DoALL STORE In The "Yellow Pages"**

# Your Guide to New Products

(Continued from page 33)



## Inserting Tool

### Installs Wire Thread Inserts

Foot actuated switch sends insert from hopper through nylon tube to the tool tip. Operator presses tool against tapped hole, when the wire thread insert reaches the preset depth, the driving mandrel automatically stops and the tool is ready for the next insert. Lightweight (18 oz.) gun can be remotely operated up to 8 ft. from the hopper mechanism. Tool can drive up to 1,200 inserts per hour in partly automated operation.

Price: \$1,670. Delivery: immediate.  
Heli-Coil Corp., 2 Shelter Rock Lane, Danbury, Conn. (P.W., 11/23/59)

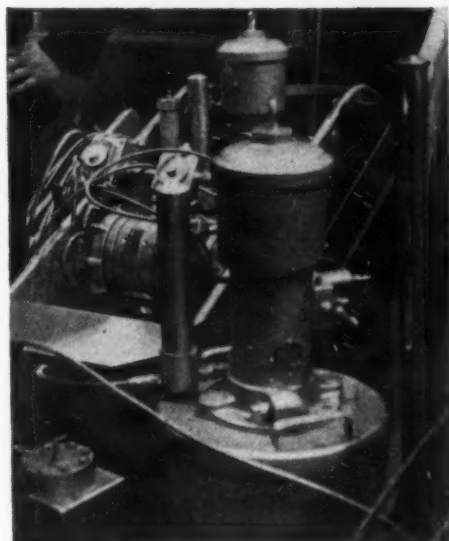


## Ultrasonic Gage

### Measures Thickness

Unlike resonance gages, pulse-echo type can measure thicknesses where surfaces are not parallel, or are pitted and rough. Instrument reads directly in inches and is accurate to 1% of full scale. Minimum measurement .060 in., maximum 3 ft.

Price: \$1,965. Delivery: 4 mo.  
Sperry Products, Inc., 1000 Shelter Rock Rd., Danbury, Conn. (P.W., 11/23/59)

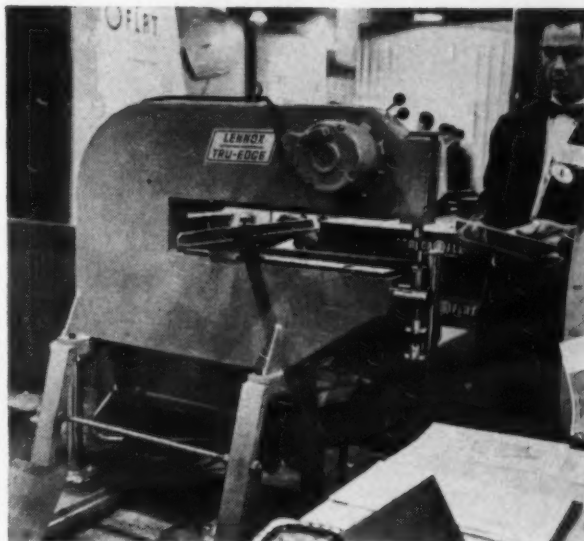


## Spray Gun

### Atomizes Paint

Heater and pump operate from 55-gal. paint drum to produce controlled spray for booth and open air painting. Over-spray is reduced by use of specially designed orifice and high fluid pressure, replacing conventional air spray. Unit may be stationary or placed on heavy duty dolly for portability. Desired paint atomization is achieved by means of viscosity, orifice and fluid pressure controls. Heater assures uniform paint temperature.

Price: \$1,200. Delivery: 3 wk.  
Spee-Flo Co., 6614 Harrisburg Blvd., Houston 11, Texas. (P.W., 11/23/59)



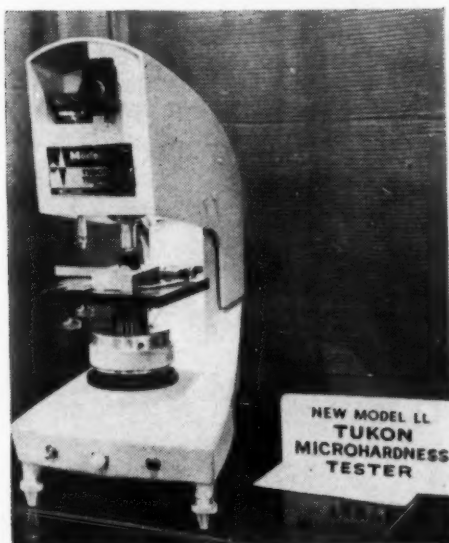
## Shearing Machine

### Cuts 8 to 15 fpm.

Bench model has edge-cutting capacity up to 12 gage mild steel plate and 16 gage stainless steel. Stroke length can be adjusted from 0.022 through 0.110 without stopping motor; machine can cut from 8 to 15 ft. of material per minute with stroke speed of 1,750 to 3,500 per min.

Price: \$875. Delivery: immediate.

Lennox Tool & Machine Builders, 649 N. Baxter St., Lima, Ohio. (P.W., 11/23/59)



## Hardness Tester

### Permits 90 Deg. Angle Scanning

Semi-automatic tester has 90 deg. angle eyepiece which reduces operator fatigue to minimum. Measurement of the indentations in the specimen is made possible by direct reading in microns from the microscope. Mechanical stage is employed to move the specimen (cutting tool tips, watch springs) in accurate traverses on side to side, or front to back axis.

Price: \$1,250 (base). Delivery: immediate.

Wilson Mechanical Instrument Div., American Chain & Cable Co., Inc., 230 Park Ave., N. Y. 17, N. Y. (P.W., 11/23/59)



## Microfilm Enlarger

### Makes Dry Prints

Reproduction machine combines photographic lens system and electrostatic type printing unit to produce permanent, dry, black-line enlargements 14 to 16 times larger than 35 mm. microfilm (reel-type or card mounted). Makes up to 4 copies per min.

Price: \$9,750. Delivery: Spring, 1960.

Charles Bruning Co., Inc., 1800 Central Rd., Mount Prospect, Ill. (P.W., 11/23/59)

## Purchasing Week Definition

### Plastic Foams

**Urethane**—Foam made by adding a metal salt hydrate to urethane, producing CO<sub>2</sub> which foams the plastic—used for protective packaging, furniture cushioning.

**Silicone**—Insulation material of silicone rubber is foamed by an expanding agent into a uniform unicellular structure of 8 to 24 lb. per cu. ft. density. It will withstand temperatures above 600F.

**Vinyl**—White in color, material is used for gaskets, seals, and refrigerator doors. Vinyl plastisol is sprayed on and

heat cured into a foamed texture with a 400% volume increase.

**Cellulose**—Cellulose is expanded into a light, tough material with air-filled beads. It is used to replace sponge rubber and kapok as an insulating and buoyancy material.

**Polystyrene**—The plastic is expanded into a nonpermeable multicellular mass 42 times its original size. End product is  $\frac{1}{2}$  weight of cork, but will not withstand hot water or temperatures above 170F. It resists mold and can be used for cold storage insulation. (P.W., 11/23/56)



## Carbon Brick

### Greater Conductivity

NMA grade carbon brick has thermal conductivity some 7 times greater than ceramic brick. It is shipped in bulk on standard pallet for blast furnace lining and aluminum cell applications. Brick is less permeable than anthracite carbon brick.

Price: From \$180.40 (320 9+6+3-in.). Delivery: immediate.

National Carbon Co., Div. of Union Carbide Corp., 30 E. 42nd St., N. Y. 17, N. Y. (P.W., 11/23/59)

# Goodyear's Synthetic Replaces Latex in Foam

**Akron**—Goodyear Tire & Rubber Co.'s new synthetic rubber latex will sell for 20-30% less than the natural product. Goodyear expects the new synthetic—called Pliolite 5352—to replace natural latex in foam rubber.

The company's foam products division announced that it is converting entirely to the new latex in the manufacture of cushioning materials. Goodyear claims that the new material can produce a premium foam eliminating the previous need for blending in natural or other synthetic latices.

Goodyear has recently completed new production facilities at its Akron plant to fill volume production needs.

R. A. Jay, assistant to the president of Goodyear said, "The new material is closer to natural latex than any previously produced, since the impurity content has been reduced to nearly equal that contained in natural latex."

Jay pointed out that use of the new latex is expected to help stabilize what has been a very volatile price market. The price of natural latex varied from 34¢ in the beginning of '58 to 40¢ a

lb. this year. Foam manufacturers have had to absorb much of the increase in the final cost of the product in order to meet competition of other materials.

Goodyear also expects the synthetic to outshine the natural product on the quality level. It claims that natural latex was subject to variations caused by climate and other variables. Manufactured under strict laboratory conditions, the synthetic quality should be uniform.

Goodyear laboratory tests have shown that the new latex

will give a lighter, whiter foam rubber, with aging properties about twice as good as foam made from the natural material.

Tests also have indicated that germicidal and fungicidal properties are considerably better. Other advantages claimed include excellent compression, resilience, durability, and flex-life.

**SYNTHETIC LATEX** (left) used to be thick, hard to handle, and had to be blended with natural latex to make foam rubber. New latex flows easily.



## Air Conditioning For Every Need

**Atlantic City, N. J.**—Some exhibitors, here for the 11th Exposition of the Air-conditioning and Refrigeration Institute (Nov. 2-5) cautioned buyers that steel strike shortages may delay equipment deliveries.

The 178 exhibitors gave over 10,000 distributors and potential buyers the chance to examine \$5 million of equipment. There was something tailored for almost every industry, including food packing, transportation, construction, and national defense.

George S. Jones, Jr., A.R.I. Managing Director, said that a 40% increase in the sales of package central units for residential and commercial applications should lead the \$1½ billion industry to a new sales peak in '59.

### A Cool Puzzle

The purchasing agent buying air-conditioning and refrigeration in 1960 can expect to be faced with a bewildering array of equipment—ranging from room to roof-top units, and priced from \$200 to \$5,000 and up.

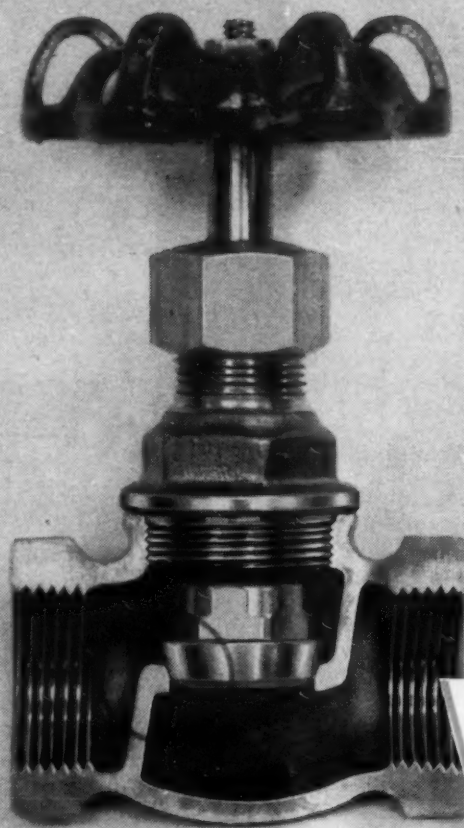
Manufacturers displayed a variety of equipment for use in homes, commercial buildings, offices, and plants. Among the new products shown was an ice maker that produces clear, hard ice in irregularly shaped nuggets. The machine does away with moving parts—eliminating a previous maintenance problem for such machines.

In addition to the industry exhibits, the Defense Department used several displays to illustrate the role air-conditioning and refrigeration plays in today's complex weapons' systems.

Exhibitors cautioned P.A.'s to examine the hidden costs involved in the purchase of cooling equipment. "Plant rewiring may be needed to take the added load, and auxiliary equipment, such as cooling towers, might be necessary."

# O-B VALVES

## metal-to-metal contact stops oil seepage



The lubricating properties of oil, ideal for preventing friction between moving parts, makes it almost impossible to get a tight shutoff on oil lines with an ordinary valve.

Oil forms a thin film over the seating surfaces of a valve. If not fractured when the valve is closed, a pathway remains for oil to seep through, past the disc and seat.

O-B No. 101 bronze globe valve (and its companion No. 102 angle valve) was designed for service with oil and other hard-to-handle fluids. Disc and seat are machined to make a hairline, metal-to-metal contact which shears neatly through oil film, giving a tight, leak-proof seat.

Ask your O-B distributor about these valves, or write: Ohio Brass Company, Mansfield, O.



4994-V



QUICK LUNCH in the plant is made even quicker by vending machines like this line-up of coffee, pastry, soda, hot food, candy, milk, and ice cream coin-operated machines.



AUTOMATED LUNCHROOMS like this one at the Walworth Co. in Braintree, Mass., make the best of two systems: cafeteria-style eating, and vending-machine efficiency.

## Automatic Vending Machines Make Half-Hour Lunch Work

(Continued from page 1)  
you that the trend to "automatic feeding" in industry has only begun and that the real boom is right around the corner. And they have some convincing evidence:

- The half-hour meal period has taken hold in many companies and is likely to become standard.

- The cost involved in conventional cafeteria operations is continually rising.

- Most new plants are currently being built in outlying areas where commercial feeding facilities are not accessible.

- Automatic cafeterias can already vend about 90% of the kinds of food that most workers desire for their lunch or dinner meal.

- More plant managements have been giving coin-operated cafeterias excellent endorsement on the basis of their own experience.

"I'd have to agree with their evidence," Derek Dorey, who handles food services at G.E.'s plant here, told PURCHASING WEEK. "All the new General Electric plants around here are building in automatic feeding services."

"We actually followed the example of the Waynesboro plant,"

he explained. "Now all the newer plants are learning from our experiences."

But there was one point on which Dorey differed. "I'd say the trend was more toward a vending machine operation plus a small hot food line—a combination of the two. This gives you the needed flexibility at an economical cost."

This opinion was supported by Fred Clarke, food specialist at G.E.'s Waynesboro facility. "We originally had only the vending machines," he said. "But after a while we found that there are certain things like a hamburger, for instance, that are much better when they come off a hot grill."

Both plants have similar operations. Space is given over rent-free to a vending machine dealer. The companies pay for the utilities but get a percentage of gross.

"We've been very pleased with the way it's worked out," commented Dorey. "We make money. Compare that to our plant in Lynn, Mass. which is now closed. It lost \$50,000 a year operating a cafeteria."

"We let the experts run the food business—we run the electrical parts business."

L. C. Stubblesfield, personnel manager at the Babcock & Wilcox nuclear products plant here—

which also has a combination vending and hot food line—says both the company and employees are very satisfied.

"The vending machines are generally more popular than was the cafeteria alone," he noted. "I'd say the only disadvantage of the vending machines at the moment is their limited variety of food."

Babcock & Wilcox also has a private vender run the automatic feeding setup, as does Kaiser Fleetwing, Inc., "We used to have a concessionaire run a cafeteria," a company spokesman explained, "but we found we weren't even meeting operating expenses on that basis. Things are fine under the present setup."

Asked about costs per meal for employees with the vending system, the spokesman offered "hot and cold" examples:

- A hot meal complete with beverage, roll and butter, and dessert—60 to 75¢.

- A sandwich of most any variety, beverage, and dessert—45 to 60¢.

Now that industry is being won over to "robot dieticians," vending machine operators are not wasting time on bows—they are pushing against the opened door with all their might and ingenuity.

This was evident at the recent National Automatic Merchandising Association convention in Chicago where displays of unique types of "silent salesmen" with eye-popping mechanisms were common.

As one buyer, marveling at the machines which dish out everything from change, food, and shaving cream to toys, first aid kits, and life insurance, put it:

"Vending machines sure have come a long way since I first dropped a coin in a penny peanut vendor."

Some of the more snappy robots that will be emptying pockets in the near future are:

- A new postage stamp vending machine, an exact replica of a U.S. Postal Mail Box, made by Hilsum Sales Corp., Miami, Fla.

- A change-making machine with a built-in tear gas bomb for burglars. Made by Standard Change Makers of Indianapolis, it can cough out subway tokens as well as change.

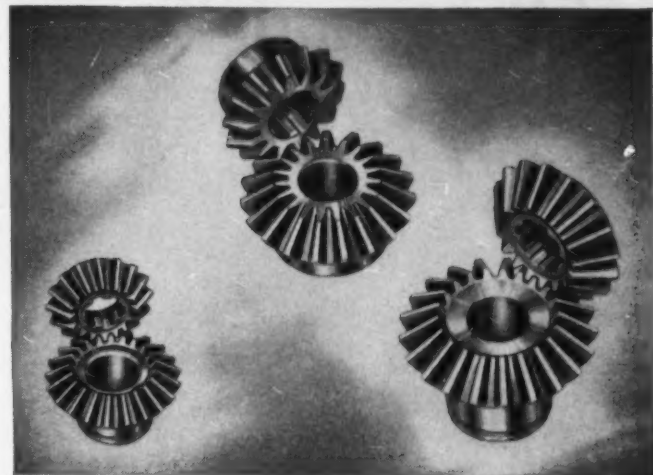
- A machine that puts shaved ice in soft drinks, made by Apco, Inc., of New York.

- A sandwich-toasting device, developed by Star Cooler Corp. of St. Louis. The machine heats the food while toasting the bread AFTER the consumer makes his selection.

- A machine called the Brew-A-Cup, manufactured by Rudd-

Melikian, Inc. of Hatboro, Pa. It makes a hot fresh cup of coffee in six seconds by squirting boiling water through grounds held in a tiny pellet. The old grounds remain in the pellet which is then disposed of by the machine.

- Another coffee-making machine displayed by The Vendo Company of Kansas City, Mo. makes fresh coffee from grounds stored inside the machine in vacuum cans which are capable of making about 16 cups.



Shortest way to better production, smoother product performance: G. S. Bevels

Nobody argues with the old axiom, "Time is Money"—and it's more and more costly to have assembly operations interrupted or slowed down by ill-fitting or defective parts. G.S. customers (whose roster reads like a Blue Book of American industry) don't worry about such problems. They've learned that they can rely on famous G.S. precision manufacturing methods and rigid inspection systems for Small Gearing made right, every time—Gearing which meets demanding specifications, makes assembly smoother, gives efficient performance in product use.

Perhaps you use full-generated and hardened Straight Tooth Bevel Gears cut from alloy steels, like those illustrated (they're used in outboard motors). Perhaps you need Spiral Bevels or Zerols. Whatever your requirements for Bevel Gearing, including Helicals, Internals or other types, G.S. engineering and G.S. quality belong on your production team!

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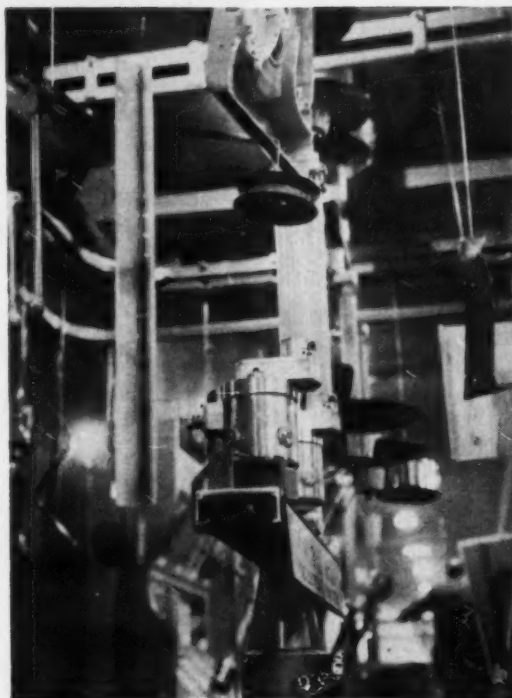
Machine tools (photo, right) are just a part of the modern metal working shop. Purchasing Week toured the National Metals Show (Chicago, Nov. 2-6), came up with this special . . .



## 60-Second Primer on What's New in Metal Working



**MATERIALS:** Stream of new metals continues. Sheet of tantalum (above), rings of columbium, valves of titanium, ingots of molybdenum are entering commercial stage.



**MACHINERY:** Electrostatic painting (left) is catching on in many plants. Drill works as man watches (right). Numerical control makers report they expect '59 to set record. Other exhibits found electricity sinking die cavities (both by spark discharge and electro-chemical reaction); and, someone even took air out of spray painting.



**INSPECTION:** Electronics replace the man with the micrometer (above). Ultrasonics also is doing its part in finding flaws and determining material thickness while X-ray units give products once-over.



**PRODUCTION:** Explosive hardening (above) is out of the lab, so is chemical milling. The same goes for a new way of phosphatizing (see p. 33).



**INTEREST** at the show ran high, and it didn't take a highly complicated piece of equipment to attract attention. Show visitors flocked to above booth to see heat indicating crayons.

(For more on the Metals Show, see pages 30-35.)  
November 23, 1959

# U. S. Helps Set Up World Fastener Standards Value Analysis Consultants Offer Another 1-Wk. Training Seminar

**Cleveland**—The United States has begun to take an active role in the establishment of international fastener standards.

Richard B. Belford, technical advisor to the U. S. Industrial Fastener Institute, was chairman of a three-man delegation that participated in a meeting of the International Standards Organization's fastener committee at Milan, Italy, last month.

The appearance of the American delegation was a first step for the United States toward participation in I.S.O. efforts to work toward dual inch and metric standards. It was the first time the United States was represented at an I.S.O. fastener meeting.

Belford said he believes that in 10 or 15 years "we can have two parallel standards." The standards will be complimentary, Belford said, "but before we can reach that point, the metric countries will have to do a lot of standardizing among themselves."

## A Long Time

When we reach that point, Belford declared, "we can then match the two standards to each other, eliminate duplication or unnecessary sizes, and arrive at a single set of standards for the whole world. But that will take a long time and I don't expect to see it in my lifetime."

While the United States, Britain, and Canada—the major inch countries—have set many fastener standards among themselves since World War II, metric countries such as France, Italy, Germany, and Russia have not yet standardized on fastener sizes and specifications.

Belford said specific accomplishments of the Milan meeting include:

- Determination of widths across flats and head heights for two series of hexagon nuts, all in metric measure. Recognition for a parallel series of hex head bolts and nuts in inch measure.

## Aluminum Content In Autos Up 13%

**Detroit** — Aluminum content in 1960 automobiles is up an average 13% per car according to V. E. Flaherty, automotive industry manager for Kaiser Aluminum & Chemical Sales, Inc.

Flaherty said estimates set the net, or finished, weight of aluminum components at a per-car average of 56.2 lb. for 1960 compared to actual net usage of 49.6 lb. in 1959 models. Data is based on production reaching a level of more than 6-million units during the model year.

"Aluminum's steady and perpetual penetration of the automotive market is apparent when you consider the per-car average five years ago was approximately 25 lb.," Flaherty commented, "and that a decade ago, 1950 model cars averaged 12 to 13 lb."

"Two of the most important engineering advances by the industry this year, the new Pontiac wheel and the Corvair engine," Flaherty pointed out, "were accomplished with aluminum."

"In addition, we believe aluminum bumpers, mufflers, and radiators will be ready for 1961 models."

- Development of a series of standard lengths for bolts in metric measure. Because philosophies of metric countries differ from those of inch proponents no parallel inch standard is contemplated.

- Authorization for development of a standard for hex head socket screws in metric measure that would parallel the new American 1960 series now being adopted.

- Initiation of a project to pre-

pare an international specification covering strength properties of fasteners.

- Acceptance of an international standard of types A and B threads as used on thread-forming tapping screws. Metric standard will be direct conversion of 1958 inch standard.

- Continuation of work on a document to illustrate and describe (in four languages) various types of standard fasteners and special characteristics of each.

**Schenectady, N. Y.**—Value Analysis, Inc., consulting organization specializing in the theory and concepts of value analysis techniques, will offer a week-long training seminar Nov. 30 to Dec. 4. Thirty-six men representing 10 companies recently completed a similar seminar (see P.W., Oct. 12 p. 14), the first value analysis course ever held on an institutional basis.

The forthcoming session will be held at the Niskayuna Club in Schenectady. Sponsoring firms

will be allowed to have one or two teams of three men each, representing engineering, manufacturing, and purchasing. Each team will analyze an assembly or sub-assembly of one of its products, applying the various techniques of value analysis. A potential cost reduction of 25% is expected from each product studied.

Because of commitments to contractual accounts, no further institutional seminars are planned before next spring.



## Answers To The Purchasing Man's Questions About Stainless Trailers

### Why are Stainless Fruehauf Volume☆Vans a good buy?

Actual cost per mile, day after day and over the years, is the real yardstick of a Trailer's cost to the owner. Since Stainless Fruehaufs run more miles and last more years operating with less maintenance cost than other vans, they are the best buy for most users.

### Why do Stainless Trailers last longer and cost less to operate than other vans?

They require no painting, and require less body maintenance. Stainless steel resists wear, weather, atmospheric impurities, and corrosion indefinitely, retaining its strength, appearance, and usefulness. No Stainless Fruehauf has ever been reported worn out.

### How can I justify to company management the slightly higher initial investment that Stainless units require?

By pointing out that the re-sale value of a Stainless Fruehauf is greater than that of another type

Trailer of equal age. The higher investment is returned. Too, lower operating costs and less frequent Trailer "down time" equal greater usefulness, reduced shipping costs, higher company profits.

### Conserving capital is more important to my company than operating expense. Does that rule out Stainless?

No. Fruehauf leasing makes Stainless vans, open tops, or refrigerated vans available for periods of 12 months and up at monthly rates. Capital is conserved for other expenses. Also, Fruehauf Financing is closely tailored to the user's needs and budget. But if a lower cost Trailer must be had, Fruehauf has it to sell. The Fruehauf line is the most complete in the country.

*If you, as a purchasing agent for your company, have any further questions to ask regarding Trailers and methods of economizing in obtaining them, chances are Fruehauf can supply a very good answer. Please write or call any time.*

**For Forty-Five Years—More Fruehauf Trailers On The Road Than Any Other Make!**

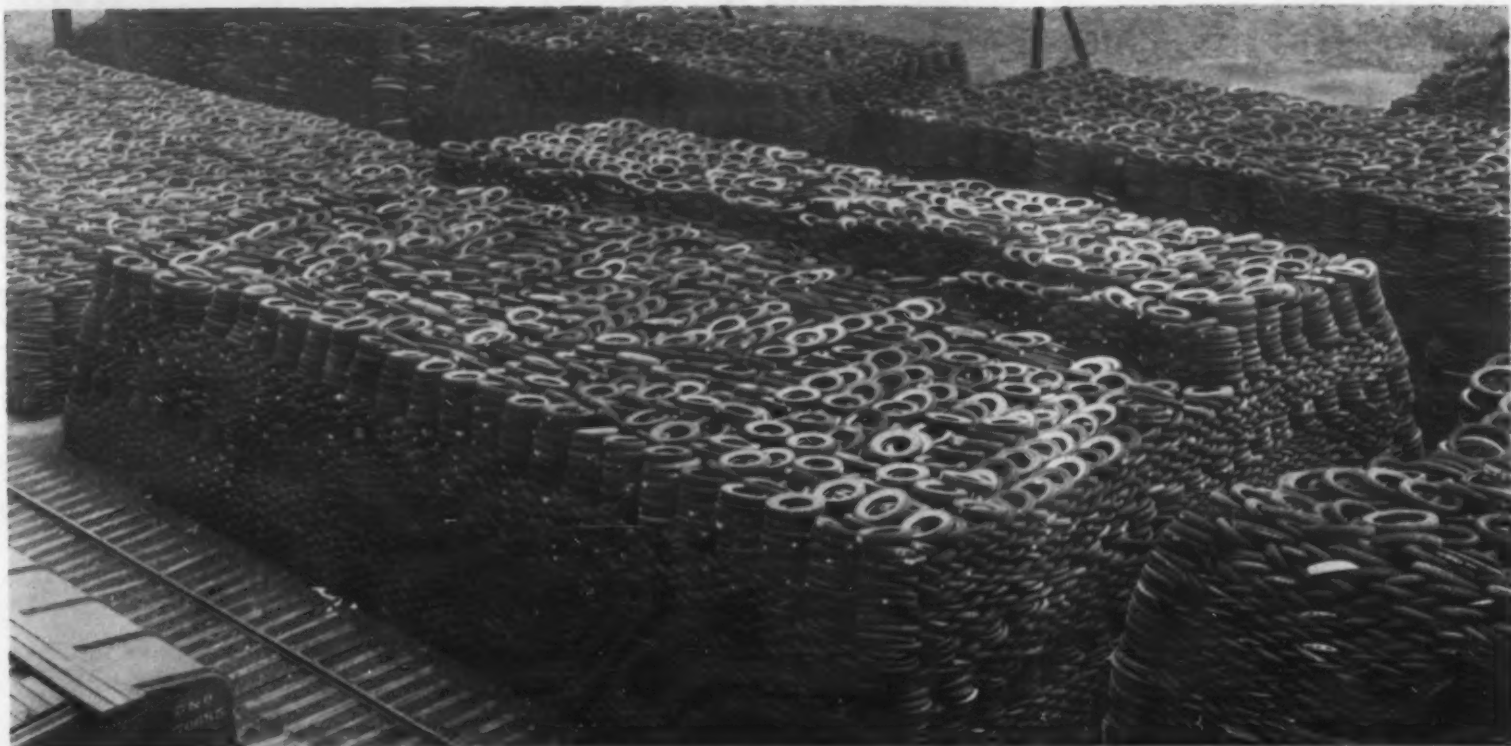


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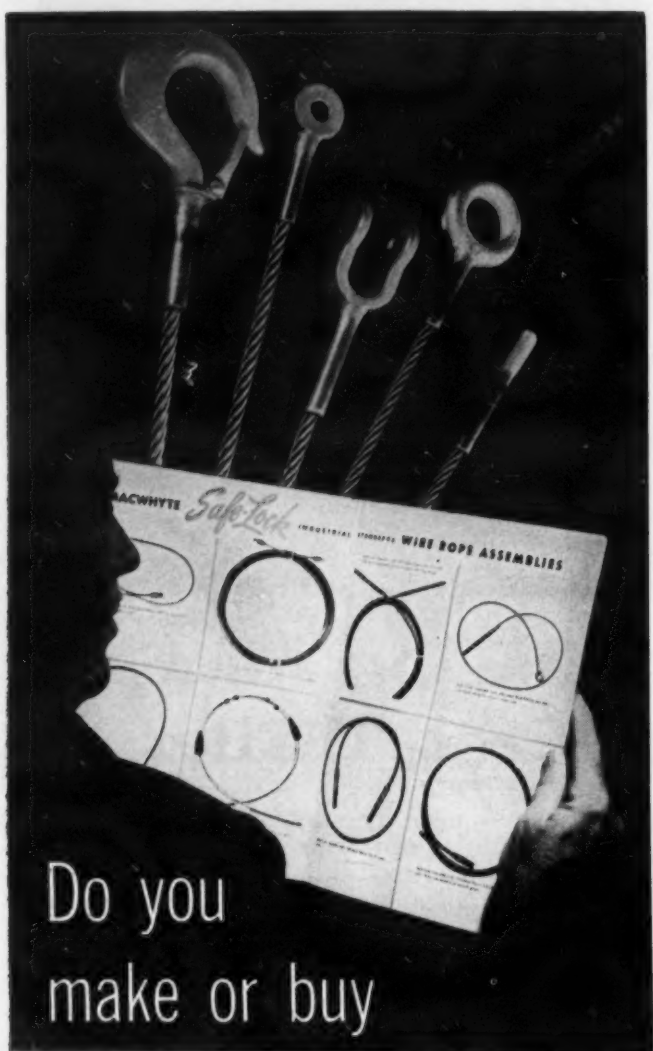
Send Full Information On The Following:

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Tires by the thousands (204,000 in this photo), are taking a new lease on life through retreading. Even big ones like this.



Do you  
make or buy

## MECHANICAL CONTROL CABLE ASSEMBLIES?

Are you getting the right wire cord or wire rope plus the best fittings that will save time, labor, cost, and improve appearance on your product? Whether your product is a hoist, a tool, a tractor, a boat, an overhead door, or window sash, there are a 1001 types, sizes, and grades of wire cord, wire rope, and fittings available to you — and Macwhyte has them all!

So whether you make or buy — let us give you the benefit of our suggestions. You can rely on our recommendations, for we are wire-rope manufacturing specialists.

Catalog 5601 available on request.

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## What the Purchasing Agent Should Know About Auto, Truck Retreads

"Any fleet owner who is not taking full advantage of retreading today—is running his new tires until they are worn out—would reduce his over-all cost per mile at least 33 1/3% by changing his program and retreading all of the tires at the proper time"—L. B. Sloneker, Phillips Petroleum Co.

That's a message the purchasing agent can take to heart, whether his tire buying is a once-in-a-while nuisance or a specialty. And there are plenty of new things happening in the retread field.

Retreading, the once-unreliable war baby, has grown up. Today it's a safe and efficient servant.

Retreads would have little appeal if tire bodies wore out as fast as tread rubber. But friction and heat, the arch enemies of tire life, attack tread and body at different speeds. There is no more cause to discard a tire after one use cycle, providing carcass is good, than to throw out a pair of shoes with worn soles. Shoes can be resoled, tires can be retreaded.

### Tire Body Real Value

The real value of a tire is in the tire body, which represents 70% of the cost of the new tire. If body is good, (and this is the most important factor in retreading) tires can be recapped several times, depending on type of service, with life expectancy of more than 150,000 miles.

Fleet owners have learned to save 50-75% of new tire costs by retreading. Some large operators have been able to save a mil per mile by linking good maintenance practices with quality retreading.

The average consumer has yet to learn this lesson, for 68 million tires are scrapped each year without retreads. Estimates show three out of four passenger owners have never used a retread tire.

### Leading the Way

Truck owners are leading the way and there is more to be learned. Currently, there is almost one retread tire bought for every new tire sold. Of the 16 million replacement truck tires bought last year, 7.5 million were retreads. Industry expectations are that by next year 17.3 million truck tires will be sold as replacements. Of these 8.2 million are expected to be retread. About 30

million passenger car tires are expected to be recapped this year. This is about 1 for every 2 new passenger tires sold.

How do prices of new passenger tires compare with retread prices? In the New York area today a Deluxe 6:70x15 (rayon) passenger tire will cost \$21.70 plus tax. The same size retread will cost \$11.11 plus tax and recappable tire.

A new truck tire 8:25x20 (rayon) will cost \$66.06 plus tax, or \$71.87. A full retread for the same size heavy duty transport truck will be \$27.41 plus tax, or \$28.03.

A new nylon tire would run

about 10% more while a steel cord tire would average 15-20% more than these figures.

These prices are possible with no sacrifice in safety or serious loss in mileage when compared to new tires. "It is a known fact," reports P. T. Cherpas, manager of tread rubber & repair materials, United States Rubber Co., "that a new tire is exposed to certain elements that change its characteristics in the first few thousand miles of service. When a worn tire is accepted by the retreader for reprocessing the tire has been exposed to these changes, therefore, the consumer can expect to receive at least the same mileage

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for a retread tire as he received from the original tread."

Speaking before a meeting of the Society of Automotive Engineers recently, C. R. McMillen, technical superintendent of Good-year Tire & Rubber Co. of Canada, noted that "the modern over-the-road truck tire runs an average of 75,000 miles on the original tread; including recaps, the average is at least 125,000 and this at speeds of 45 to 60 mph."

#### More Than Once

A wide variety of case histories prove that truck tires can be retreaded several times. The average number seems to be about two for over-the-road service. Taxis in city driving have been retreaded 3-5 times depending on casings. Some fleet owners claim 5-6 recaps for heavy trucks, while a report of 15 retreads on a tire appears to have set the record for retreading.

One major fleet operator in New York, in charge of buying for a fleet that averages 6 million miles per month, reports savings of a mil per mile through efficient retreading. This has been equal to savings of \$60,000-\$72,000 per year on tire costs.

#### Price Not Only Consideration

However, price is not the only consideration in judging the value of retreads today. If it were, the quoted prices would be even lower.

To really know why retreads are a better buy today than ever before, a P.A. must understand the retreading process, the new materials and technology that have developed in the last several months.

One reason why a P.A. cannot buy retreads by quotations alone is the number of variables involved in the manufacture and distribution of retreads.

#### Must Check Substitutes

As in any value analysis, suitable substitutes must be examined with regard to function. In retreading there are choices to be made in the varieties of cord, rubber, tread design, etc.

The all important casing is the framework providing the strength and rigidity necessary to contain the air pressure and hold the parts of the tire together. This casing may be of rayon, nylon, or steel cord.

Rayon tire cord is used in most passenger car tires, some truck tires, and most farm tires.

Nylon tire cord is used in "premium" passenger car tires, high speed, and heavy service "premium" truck tires, all tires used on off-the-road, and all airplane tires.

#### Steel Cord for Heavy Use

Steel cord is used in heavy service multiple truck tires, such as used in oil fields and in the new long wearing radial one-ply tire.

The current battle between the producers of rayon and nylon for the tire cord market has been widely reported. The rayon forces are betting on the Tyrex development to win over nylon in passenger and truck tire applications in the future.

The producers of nylon have not relaxed their efforts to produce a better cord. Nylon's great strength has been the chief reason for its application, despite higher costs.

(Continued on page 42)

## Glossary of Terms

**Bead**—That part of the tire that is shaped to fit the rim. Made of high tensile steel wires that are wrapped around with woven fabric and then reinforced by the piles.

**Full Treading**—When a full tread is required, a worn tire is buffed across the top of the tread and down over the shoulders as much as is necessary to receive wing stock and feather out while curing. This method will give the shoulders a finished appearance.

**Matrix**—The cavity in which the tire is actually cured and from which the tread design is formed.

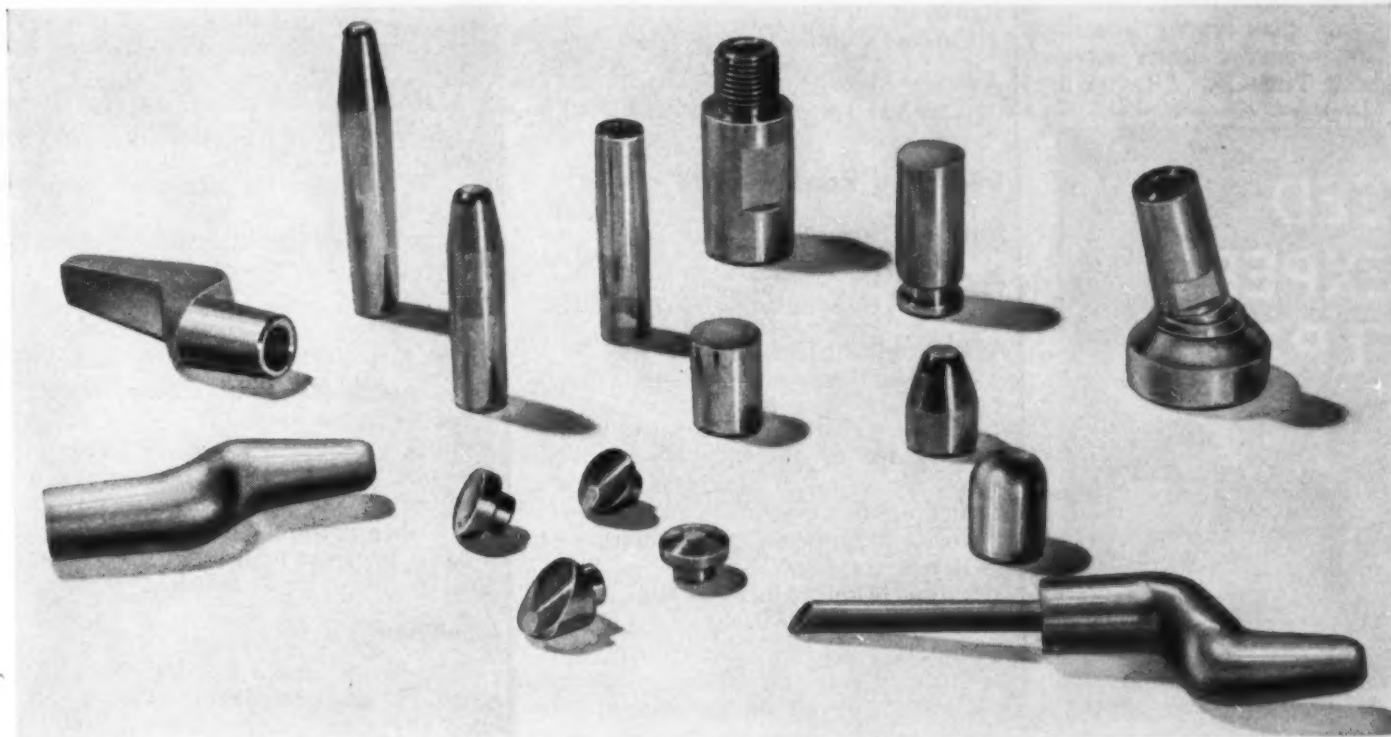
**Recapping or Retreading**—Generally speaking retread is applied to process where entire tread and shoulder of tire are replaced. Recap generally refers to top cap or where only tread is replaced.

**Regrooving**—Removing excess rubber that has flowed into the tread design.

**Top Treading**—Only the top, or tread area, is buffed and a tread rubber with abrupt shoulders applied. This type of treading is usually requested when tires are used in highway service where a special shoulder is not required and when appearance is secondary. This is the most economical type of treading.

**Tread Design**—The non-skid pattern on the running surface of the tire.

**Tread Rubber**—An uncured rubber compound manufactured in crude and synthetic form, used to replace tread on a tire. (Old name—Camelback.)



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# Retreads: The How and Why for P.A.'s

(Continued from page 41)

In over-the-road truck tires, nylon made a stronger lighter tire that did not heat up so much as the heavier (pre-Tyrex) rayon tire. Nylon tire was better suited for higher speed operation, and it was more resistant to shock and impact damage and blow-outs. But nylon exhibited one peculiar disadvantage—a tread cracking—caused by the natural stretchiness of the nylon. This problem was solved by specialized equipment but it further raised the cost of nylon tires.

## Gains in Quality and Sales

Within the last four years nylon tires have gained in quality and in sales. Their resistance to blow outs has given them preeminence in the inter-city bus service field.

"Because of its high resistance to in-roads of air and water, nylon cords will take more recaps than rayon," according to J. M. Lark, manager dealer services, B. F. Goodrich Tire Co. "Rayon tires

will take an average of 1.5 recaps per tire as opposed to an average of three for a nylon tire," he said.

Chemstrand Corp., a nylon producer, notes that in a recent fleet test rayon averaged 2.4 retreads while nylon averaged 3.6 retreads.

"In tough operation, the use of nylon in truck and bus tires has been of great value," C. R. McMillen declared in presenting data on the relationship between cord type and mileage.

## Tire Performance

### Nylon vs. Rayon

Tough Service	Nylon	Rayon
Number Tires . . . . .	60	107
Removals for Carcass Conditions .	3.5%	30.0%
Average Mileage (Original Tread) . . .	60,100	40,500

## Improved Road Service

Number Tires . . . . .	68	143
Removals for Carcass Conditions .	1.5%	30.0%
Average Mileage (Original Tread) . . .	74,500	61,400

The above chart indicates the superior performance of bus tires of nylon construction over rayon tires. The tough service operation was in the northern part of Quebec, Manitoba, and Alberta. The greater mileage is primarily due to the reduction in the number of tires removed for carcass conditions when nylon fabric is used.

"In improved road service, the mileage gap between rayon any nylon is considerably lessened; however, when speeds are maintained, the cooler running nylon retains its strength and is less subject to heat blow-outs," McMillen noted.

In sizes 11:00 x 24 and larger, nylon is now being used almost exclusively. In the 10:00 x 20 size nylon now outsells rayon nearly two to one in the replacement tire market. However in the original equipment market, rayon still dominates, due to higher price of nylon.

## A Comparison

Here is a comparison between rayon and nylon cord prices 1958 vs. 1959:

Rayon 12/58 1100 denier 66¢ per lb.  
Nylon 11/58 840 denier \$1.20

Rayon 12/59 1100 denier 62¢ per lb.  
Nylon 11/59 840 denier \$1.06

Rayon 12/58 1650 denier 60¢ per lb.  
Nylon 11/58 1680 denier \$1.12

Rayon 12/59 1650 denier 55¢ per lb.  
Nylon 11/59 1680 denier \$1.03

While a rosy picture appears for nylon tire producers, another competitor is growing in the commercial and industrial tire field. This is the steel cord tire.

## Some Definite Advantages

These cords present some definite advantages for modern high speed over-the-road use.

In the first place, steel is strong non-extensible material that enables the tire engineer to get around the excessive stretchiness of nylon. While stretch in a tire cord can be an advantage when resilience is needed, it is generally considered a disadvantage as far as tread wear is concerned.

A rayon tire will outwear a nylon tire when tire heating and impact damage are not important factors. This is because nylon stretchiness results in more of the tread coming in contact with the road.

## Tips to Value Buying of Retreads

1. Buy a good tire in the first place. Check to see if maintenance department regularly inspects tire to avoid damage causing unacceptable tire casing.
2. Take a tip from the fleets. Maintenance is all important. Let your drivers know the value of proper inflation pressure, the dollar losses due to tire wear from excessive speeding.
3. Buy from a reliable dealer with a local reputation. It's reputation for workmanship that is important, not whether shop is "independent" or "captive."
4. Remember that service is as important as price. Check into type of service. Can dealer supply on-the-road service or off-the-road where you operate.
5. Ask for warranties and guarantees. They should compare with those of new tires and be in writing.
6. Visit the retread shop as you would any vendor. Clean orderly shops reflect good management, and quality.
7. Look for indications of pride in craftsmanship. For example, membership in National Tire Dealers Association, Tire Retread Institute, etc.
8. Make sure tire is carefully inspected. Ask what standards are used. Don't retread for passenger car use a tire with section repairs.
9. Analyze your own needs as to type of driving and loads carried.
10. Investigate new treads, cords, and rubbers—there may be a new one for your special need.

Steel cord gets around this problem and gives double the tread mileage normally given by nylon tires.

Steel also makes for a cooler running tire with high resistance to punctures and can carry heavier loads. As indicated they are higher in price than nylon. For an 8:25 x 20 price in New York would be \$74.32 with tax giving a total of \$81.58.

## Good Safety Record

The safety record is impressive. Firestone, which has been producing steel cord tires for almost 20 years, and has sold over 300,000, reports no blow-outs in 12 billion miles of truck and bus service.

Steel tires can be retreaded as can all other types of cord. The biggest problem according to one company is a technical one in fitting the tire to the matrice.

Another reason why a P.A. cannot buy retreads by price alone is the lack of standards. Tire quality, unlike vitamins, is not standardized by anyone. Some of the confusion surrounding quality in new tires has rubbed on the retreader. "Premium," "first line," "second line," etc. are all

terms that are relative to particular brands within particular firms. There are no industry-wide standards of grade or quality. The issue of names and claims had become so foggy, that in May of last year the Federal Trade Commission stepped in to remind the rubber industry that names used on lower grade tires bordered on misrepresentation.

## No National Standards

Historically, there have been no national standards for retreads. Rubber companies did not accept responsibility for problems of their retread shops. Within the last few years this has changed. The Tire Retreading Institute has been established by the National Tire Dealers Association to bring about a code of good practice and upgrade retreading.

According to K. R. Schaal, president of the National Tire Dealers & Retreaders Association, the Tire Retreaders Institute was set up for two reasons.

1. To endeavor to upgrade the fast growing retreading industry in every way possible.



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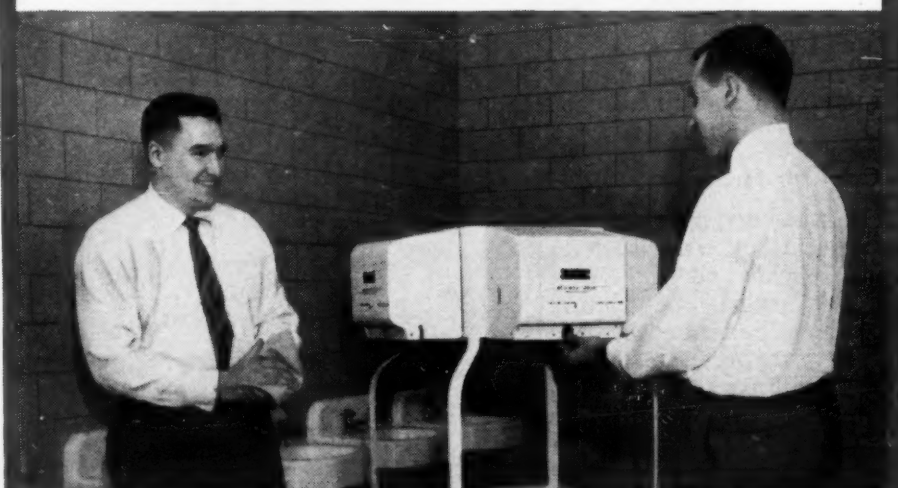
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2. To help the Independent Retreaders of America help themselves by better merchandising quality retreading.

To accomplish the first objective, all retreading shops must pass a rigid inspection by the U. S. Testing Laboratory before they can become members. Annual inspections are the rule thereafter.

To accomplish the second objective, T.R.I. recently established a National Guarantee program whereby a retread purchased in New York can be adjusted in Chicago or Los Angeles, should any trouble develop with the retread.

#### Setting Up Policing

Taking the clue from the work of the T.R.I. with independent retread shops, several major rubber companies have set out to police the quality of retread in their own shops.

"The day is not far off when all of retreading will be covered by national standards," according to Calvin W. Cole, director of T.R.I.

Various tread designs will require less tread rubber than possibly a tread design comparable to the original; as a result the retreader is able to price his tire at levels to appeal to the needs of P.A.'s.

However, here is where it pays to work with a reputable dealer—one that will give you service on your problems. There is no visual way of accurately telling a good retread from a bad one without road testing the subject tire.

#### Place for Standardization

Here is a place, too, for P.A.'s to consider value from standardization. If you are purchasing a variety of tread design, it is possible to reduce cost by adopting a single design and benefit from quantity purchases or gain this advantage through retreading of tires.

New developments in tread rubber also may change the price picture, allowing for greater value.

Producers claim 40% longer wear for these new rubbers now being used.

#### Changes Affect Prices

Changes in the marketing distributing system also affect prices to P.A.'s. Phillips Petroleum Co. will embark on a national promotion urging its 20,000 service sta-

tions to sell Phillips branded retreads. Moreover, at least one additional major oil company also is considering moving into the retread field.

#### No Different

Summing the price situation up in retreads, Cherpas, of U. S. Rubber, notes that price in the recap industry is essentially no different than any other industry. "You get what you pay for. Low prices will in most cases manifest shallower skid depth, narrow tread, and a design that is obsolete," said Cherpas.

"It is false economy," warns W. A. Boddy, manager of Pennsylvania Tire Co., tread rubber

and accessory sales, "to consider initial cost as the major consideration because it is the final cost that counts."

Protect your tire investment by maintenance procedures such as frequent inspection, and driver education. (For other tips to value buying see accompanying chart, page 42.)

#### What Of Tomorrow's Truck Tire?

Engineers have suggested that one way to equip truck fleets for service on the high speed turnpikes with heavier loads is to use skinned down racing type tires. In this design the tire is so thin and flexible that heat generated

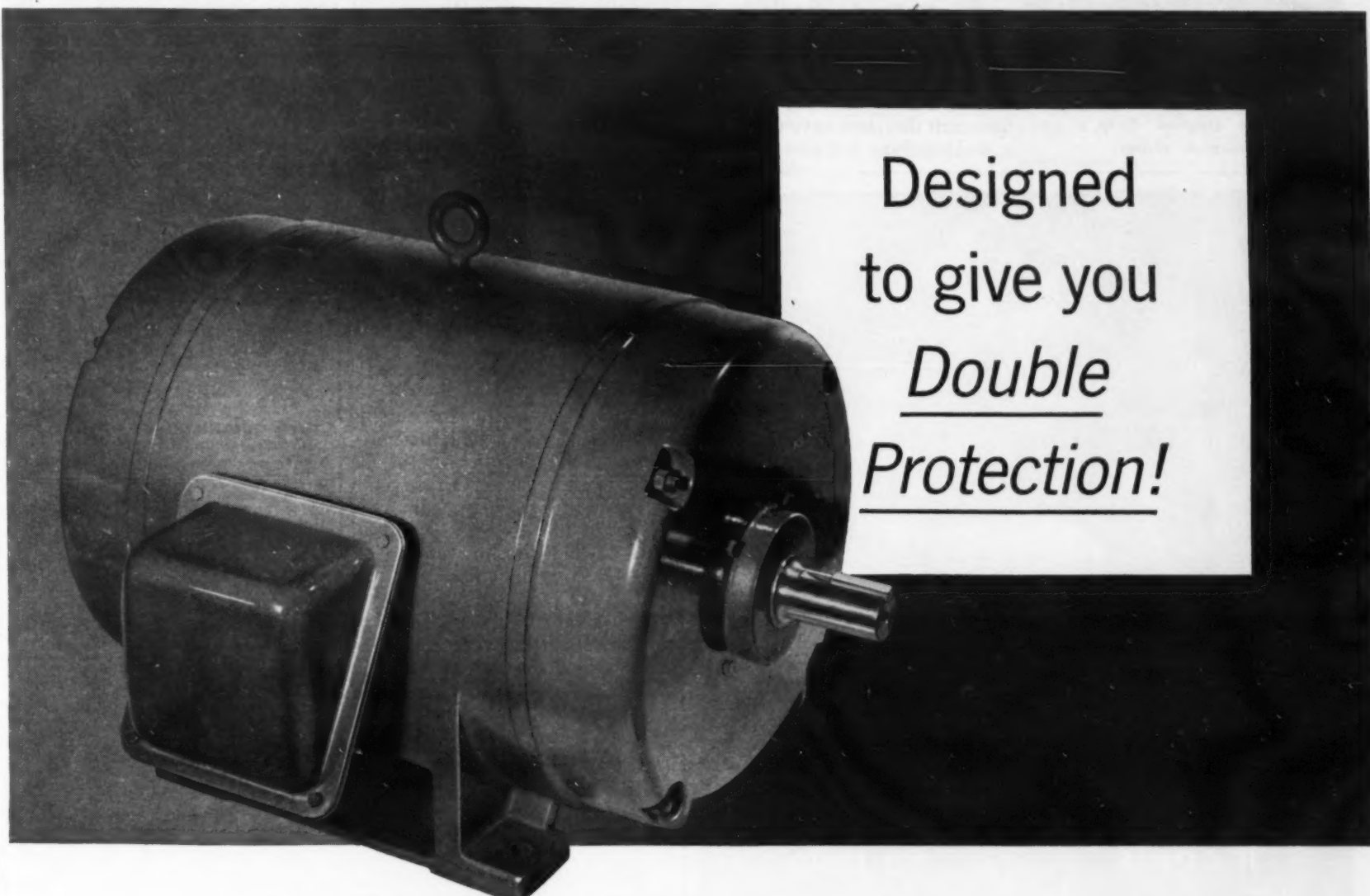
by friction escapes quickly. A racing car's "self cooling" tire has only 1/4-in. of rubber in the tread as compared to three times that amount on trucks. The problem is to build a durable, economical long mileage truck tire.

#### 'Shoeing' a Truck

One way of providing economical operation with thin treads would be through increased use of retreading, according to T. A. Robertson of Firestone. He told a recent SAE (Society of Automotive Engineers) meeting that it is conceivable "retreading methods could be developed, using portable equipment so that new tread can

be put on a tire without removing it from truck—just as we used to shoe a horse."

Another new idea is the do-it-yourself retread. This is not as wild as it may seem. Pirelli Co. of Milan, Italy, last month, announced the development of a replaceable tread tire reinforced with rayon and steel wire. The tire for sports cars consists of a high tenacity rayon reinforced carcass and three sections of treads reinforced with wire. The back of the treads fit into grooves in the carcass and are said to lock firmly when the tire is inflated. This idea may well be explored by the truck tire industry.



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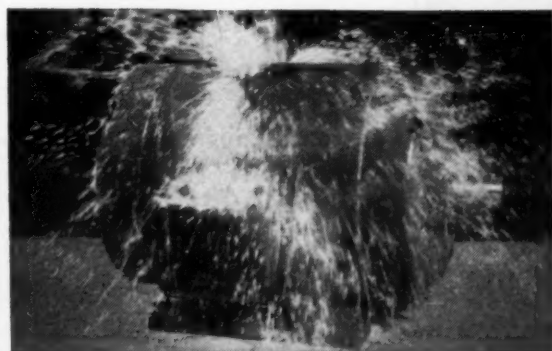
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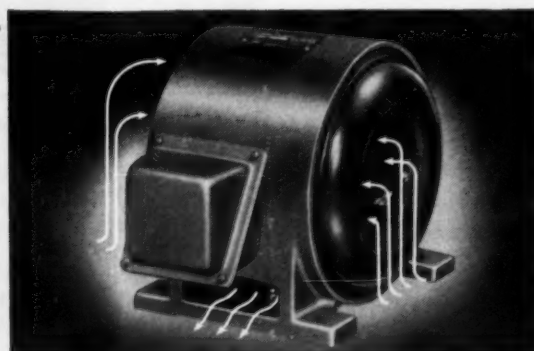
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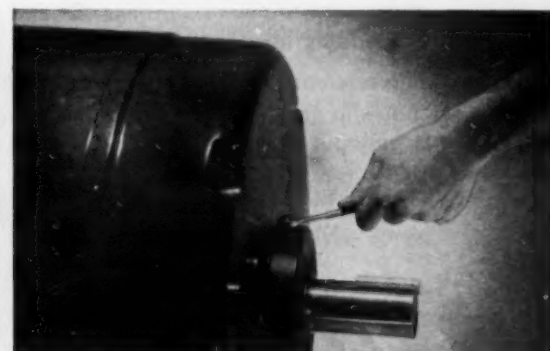
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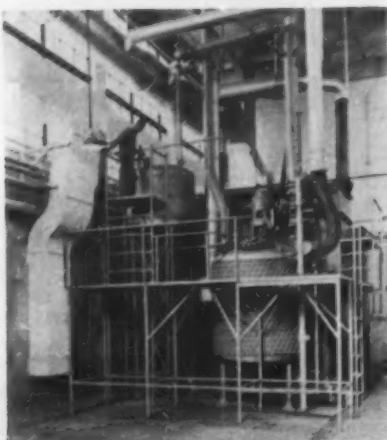


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# Udylite Research Doubles Capacity Of Chemicals with 5 New Reactors



THIS HUGE PRESSURE COOKER is actually a new autoclave installed at Udylite Corp.'s expanded research center.

**Detroit**—The installation of five new reactor units at Udylite Research Corp.'s research center here will double the firm's capacity for manufacturing chemicals used in metal finishing.

Operation of the new equipment is a novel combination of research and manufacturing facilities designed to provide basic chemicals of highly controlled quality for decorative and corrosive resisting metal finishers.

The research organization, as a subsidiary of Udylite Corp., channels the bulk of its specialized manufacture to the adjacent Udylite plant. This plant, in turn, produces chemicals for electro-plating processes in the appliance, aircraft, automotive, and other industries.

Dr. Henry Brown, Udylite's research director, says two major considerations led research peo-

ple into the manufacturing end of the business in the first place.

## Quality and Quantity

"Necessity for strict quality control in production of certain important additions to plating formulations is the first," he said. "Then, the economics of small-batch production makes it impractical for many commercial chemical companies to produce the materials at prices that are practical."

The new additions to the research-manufacturing facilities now include separate reactor and processing flows for at least a dozen distinct chemical products. Separate reactors, tanks, filters, pipelines, pumps, and packaging outlets are provided for each product.

## Minimum Handling

In addition, the processing flow has been planned for minimum handling. Product-approved lined tanks, reactors, and pipes carry the finished chemicals from storage tanks to a 10,000-lb. truck scale at the fill stations.

Here shipping containers can be loaded accurately and removed by fork lift trucks. Improvements at the center also include a heated roadway to keep the path between the research facilities and manufacturing plant free from snow and ice.

## Impact Extrusion Adds Forging Facility to Plant

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# Meetings You May Want to Attend

## First Listing

**Materials Handling Institute**—Annual Meeting, Savoy-Hilton Hotel, New York, Dec. 13-16.

**Institute of Surplus Dealers**—10th Annual Trade Show & Convention, Trade Show Building, New York, Jan. 24-26.

**Chemical Buyers' Group, N.A.P.A.**—Mid-Winter Conference, (Mid-Western & Western Division), Hotel Congress, Chicago, Ill., Jan. 27-28.

**National Association of Purchasing Agents**—Public Utility Buyers Group, Mid-Winter Meeting, Atlanta-Biltmore Hotel, Atlanta, Ga., Jan. 31-Feb. 5.

**Instrument Society of America**—Instrument-Automation Conference & Exhibit, Houston Coliseum, Houston, Tex., Feb. 1-5.

**Chemical Buyers' Group, N.A.P.A.**—Mid-Winter Conference, (Eastern Division), Hotel Commodore, New York, Feb. 3-4.

**American Welding Society**—Annual Meeting & Welding Exposition, Hotel Biltmore, Los Angeles, April 25-29.

## Previously Listed

### NOVEMBER

**Chemical Industries Exposition**—Coliseum, New York, Nov. 30-Dec. 4.

### DECEMBER

**Catholic Hospital Association of the United States and Canada**—Introductory Course in Hospital Purchasing, Hotel George Washington, Jacksonville, Fla., Dec. 7-11.

### 1960

### JANUARY

**Southwest Heating and Air Condition-**

**ing Exposition**—Memorial Auditorium, Dallas, Jan. 1-4.

**Purchasing Agents' Association of Florida**—6th Annual Buyer-Seller Meeting, Mayflower Hotel, Jacksonville, Fla., Jan. 14-16.

**11th Plant Maintenance & Engineering Show and Conference**—Convention Hall, Philadelphia, Jan. 25-28.

## FEBRUARY

**Wisconsin Petroleum Association**—34th Annual Convention & Exhibit, Schroeder Hotel, Milwaukee, Feb. 24-25.

## MARCH

**Illinois Petroleum Marketers Association**—Products and Equipment Show, Morrison Hotel, Chicago, March 8-9.

**Institution Feed and Supply Show**—Trade Show Building, New York, March 21-24.

**Greater New York Safety Council**—30th Annual Safety Convention and Exposition, Hotel Statler-Hilton, New York, March 28-April 1.

## APRIL

**23rd National Oil Heat and Air Conditioning Exposition**, Coliseum, New York, April 4-7.

**Purchasing Agents Association of Indianapolis**—Indiana Industrial Show, Manufacturers Building, State Fair Grounds, Indianapolis, April 6-8.

## MAY

**National Association of Purchasing Agents**—45th Annual Convention and Inform-A-Show, Biltmore Hotel, Los Angeles, May 22-25.

## JUNE

**Canadian Association of Purchasing Agents**—35th Annual Conference, Sheraton-Cadillac Hotel, Detroit, June 2-3.

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# Purchasing Perspective

NOV. 23-29

(Continued from page 1)

Here is how some of the companies are caring for steel-hungry customers:

• Mills generally are striving to turn out a good product mix. Thus no mill will completely shut out any type of customer—"We want to cause as few hard feelings as possible," one steel sales executive told PURCHASING WEEK.

• Some suppliers are giving hardship cases priority—but not in every instance.

• Republic Steel is allocating available supplies not by customer alone but rather among its own sales districts on the basis of first half 1959 and 1958 sales. Bethlehem strives for "fair and equitable treatment" by shipping on the basis of the rank in which orders were accepted rather than a strict first come, first served basis. Inland, which has sold out all potential 1960 first quarter production, in a few weeks will begin taking orders for second quarter production—with the basis of order acceptance on "historical buying patterns." The Midwest producer anticipates virtually all its first-half 1960 output will be sold on allocation only.

• The National Foreign Trade Council held its annual parley in New York last week amid considerable exhortation of industry to keep the pressure on for lower prices. The same point was hammered at petroleum industry sessions in Chicago earlier.

Corporation executives were warned to resist temptation to hide behind higher tariff barriers in battling competition from overseas.

The way to lick foreign competition, declared New York Federal Reserve Bank President Alfred Hayes is to keep our own economy sound, with emphasis on a competitive cost and price structure.

• Price movements: An industry-wide standardization program shared credit with production improvements and technological advances for Federal Pacific Electric's 2½ to 27% price cuts on large oil circuit breakers last week . . . Look for price announcements—upward—in various textile products in the near future.

## Automated Equipment Highlights Packaging Show at the Coliseum

New York—Packaging men here for an industry-wide show and equipment exhibition last week found that:

• Packaging equipment is succumbing to automation techniques.

• P.A.'s will be buying more packaging machinery during the next year (estimated 1959 sales—\$250 million).

• Equipment prices will be heading upward (about 5%) if the steel industry settles for an appreciable wage hike.

"More new machinery here than I have ever seen in one place before" commented Henry Richmond, president of the Packaging Machinery Manufacturer Institute, sponsors of the exhibit at New York's Coliseum.

Ken Hollidge, executive vice president of Arthur Colton Co., and a P.M.M.I. vice president told P.W. that packaging equipment makers had "been lagging in development of automated machines." He put much of the blame on equipment users who "Didn't want to hire capable engineers to care for the complicated apparatus."

As Hollidge sees it, these days are about over. "The rising cost of labor is forcing many companies to install their own packaging lines, instead of contracting the work out—and this means that P.A.'s will be buying more equipment."

The same labor squeeze is spearheading a trend toward automated machines. A filling

machine exhibitor said many companies have been able to amortize the cost of sophisticated packing machines in under one year. Machines at the show handled the complete job—potato chips or coffee flowed in one end—the packed product moved out the other.

Almost every group exhibiting had something new to show off. Paper, metal, glass, and plastic stood side-by-side with aerosol containers and vacuum-formed "skin" coverings, but plastics and metal foils seemed particularly "hot".

Plastic producers proudly proclaimed that they thought they had the polyethylene wrapping "problem" licked. In the past, it was considered a "difficult" material to handle on regular packaging machines.

A poll of exhibitors found manufacturers trying to hold the price line. "We're in a highly competitive industry and we've been watching our profits dwindle. If steel goes up I'm afraid we'll have to follow suit," was a typical comment.

But the consensus was the rise wouldn't be too steep. A figure of 5% was most often mentioned.

Richmond stated that imported packaging machinery represented a challenge for domestic producers, and foreign products, although somewhat lighter than their American counterparts, show good workmanship and are 10 to 40% cheaper.

## What Sunk Cranberries Can Sink You

What Cranberry Growers Experienced Can Happen To Purchasing Men Who Buy Ticklish Materials

(Continued from page 1)  
damages from contaminated or imperfect goods.

### The Cranberry Problem: Why It Came Up

A new amendment to Pure Food and Drug Act says that all chemicals added to foods both intentionally (like preservative sodium benzoate or monosodium glutamate flavor enhancer) and unintentionally (like aminotriazole weed killer or waxes from packaging materials) must be tested for toxicity and carcinogenesis (cancer-causing) by March 1, 1961. Literally thousands of compounds are involved—so many that most firms are farming out the testing to research outfits like Mellon Institute and Industrial Bio-Test Labs. That's how American Cyanamid found out about aminotriazole in cranberries.

Once tests are completed (at the cost of up to \$50,000 and two or more years of lab time for each test), F.D.A. reviews the results on the materials and may give approval for their use. After next February, food manufacturers won't be able to use uncertified additives or packaging in foods sold in interstate commerce. F.D.A. can announce its findings to the public as it has with cranberries, seize the goods, or prosecute company officials who are liable for fine or imprisonment.

### Looking to P.A.'s

Food industry P.A.'s are looking to their suppliers to do the testing on additives and packaging materials, but they can't escape legal liability themselves. Because lab facilities are tied up with long tests, there's doubt whether results will get to F.D.A. in time for review by the deadline. As of Nov. 1, only five additives had received approval. Some people in the industry have been waiting for F.D.A. to release a long list of "exempt" items to be given blanket approval on basis of long use in the trade. But the list hasn't been released—and F.D.A. hasn't budged on the deadline date, although it can

extend the testing period for a year to 1961. The situation has confused the industry and led some authorities to accuse manufacturers of dragging their feet in the hope of achieving an easy out.

But food industry purchasing executives realize there isn't going to be an easy out. Many aren't sure what should be done.

A P.W. survey of seven top food producers showed this: They are going to put the burden of proof on their suppliers. Some are working actively with food and packaging vendors to get the testing done on time. Two others will require suppliers to certify on invoices that all materials covered thereby do meet F.D.A. regulations.

A. S. Wells, vice president of purchasing for Corn Products—Best Foods, expressed a common sentiment:

"The situation is so confused it's hard to define what is purchasing's responsibility, or the suppliers'. We have gotten their cooperation, but they don't know what's required either. We just have to have faith in our suppliers."

Fortunately, some food manufacturers have purchasing policies that take this kind of problem into account. The Kraft Foods Div. of National Dairy Products Corp. according to Purchasing Agent Daniel J. Devine, has always insisted that "all vendors meet requirements of food and drug laws, even before we place an order with them. They must comply with our specifications." He pointed out that Kraft has the advantage of being a big company with a big central research lab and labs at each plant and, he added, "We are a lot stricter than the federal government."

### Risking a Good Reputation

Besides avoiding statutory or criminal liability for prosecution under Pure Food and Drug Act or other laws, companies are constantly exposed to civil suit because individuals claim physical or financial injury by their products. Here again, the risk is not so much the dollar size of the

judgment, but the company's reputation.

Product liability claims fall under three categories—actual negligence, breach of express warranty, and breach of implied warranty.

• **Negligence.** Suits based on negligence attack the defendant on grounds he failed to take normal care in manufacturing his product. The case of switching oxygen for nitrogen in gas bottles is a good example of this. However, it's often difficult to prove negligence, and some states require that there be a definite contract between the parties before there can be grounds for a suit.

• **Express Warranty.** This is the same as a guarantee and is the simplest form of product liability to avoid. Suits are easy to avoid if you don't promise something your product can't do. The manufacturer that claimed his crane would lift 250 tons gave an express warranty, and he was sued when the boom collapsed at half that load.

• **Implied Warranty.** This is an unwritten guarantee to the public that says because you are manufacturing a product and offering it for sale, you imply that it is safe for use for the purpose for which it was intended.

### What to Do for Liability Protection

• Some manufacturers have tried "disclaimers", or warnings accompanying advertising or on the package itself that the maker isn't responsible for injuries. But this doesn't protect the producer from liability in all cases. And telling customers that you won't stand behind your product doesn't exactly inspire confidence or purchases.

• Liability suit insurance is available to cover most of the risks, at comparatively low cost. Premium rates depend on sales volume, but vary from industry to industry. Currently drugs and pharmaceuticals have the highest rate because of the high damages awarded in the Cutter polio vaccine case. Now the risk is so high in introducing new drugs that some firms can't get insurance.

## Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
<b>INCREASES</b>			
Fluoroborates, copper, Allied Chem., trkl., lb.	.02	.33	metal boost
lead, lb.	.02	.205	higher costs
tin, lb.	.07	.86	higher costs
Latex foam products, Dayton Rubber	over 5%	...	higher costs
Copper & brass mill prods., Cerro de Pasco, free			
cutting brass rod, lb.	.0075	.3606	tight supply
copper & copper alloy water tubing, lb.	approx. .01	...	tight supply
Heating oil, #2, Mid-Cont., whlsale, gal.	.0025	.09	cold weather
Copper chems., black oxide, 20,000-lb. lots, lb.	.015	.4825	metal boost
hydrates, carlots, lb.	.0175	.535	metal boost
Gum turps., So., gal.	.0125	.5375	short supply
Gum rosin, N. Y., Window glass, crlts., cwt.	.25	\$11.75	short supply
Water white, crlts., cwt.	.25	\$12.25	short supply
Fir plywood, unsand. sheath., Ga. Pac., ½ in., 1,000 sq. ft.	\$4.00	\$94.00	upped demand
Manganese, Elmag electrolytic, Union Carbide, lb.	.01	.3375	higher costs
<b>REDUCTIONS</b>			
Mercury, 76-lb. flask	\$1.00	\$118.00	good supply
Silicone prods., Dow Corning, lb.	up to .30	...	prod. econs.
Crude oil, Montana, Carter Oil, barrel	.25-.45	...	competition
Copra, coast, ton	\$2.50	\$230.00	
Large Oil Circuit Breakers, Fed. Pac. Electric	2½%	...	prod. econs.

# Experts Foresee Copper Peace

(Continued from page 1)  
producer summed it up this way: "There'll be a tremendous demand once the strike is settled. It will take months to fill all the orders. We won't be able to give immediate delivery."

The bleak delivery outlook for the red metal can be seen from these figures:

Before the mines were struck, monthly output in the U. S. was about 100,000 tons. In October, crude mine output was only 21,060 tons.

In view of the above, it's surprising that brass and wire mills have been able to function as well as they have. It's only now that reports are cropping up indicating slowdowns and possible shutdowns in early December.

Huge pre-strike stocking and imports must take the credit for sustained mill output up until now. Again statistics tell the story.

At the end of July, fabricators had record copper stocks amounting to 518,699 tons. It's only in October and November that they began to slip precipitously.

Even so, up to this point, no wire mill has been forced to shut down. Brass mills, with more than 50% of their copper consumption composed of scrap, have been hurt even less.

But as noted above, the picture will change in the next few weeks unless new supplies are found.

While production of brass and wire mill products has not been much of a problem so far, the same doesn't hold for prices on these items. The table below shows how much they have gone up since the strike began.

The rise actually is not so surprising. Mills, faced with high copper costs, had little alternative but to raise tags on the copper-containing products. Historically, the price of products always moves with the price of copper.

On Sept. 11, product prices moved up as most producers hiked copper to 31½¢ from 30¢. On Nov. 5 producers again boosted raw copper—this time to 33¢. Fabricators immediately pushed up their prices again.

This relationship works on the downside as well as the upside. Should copper begin to fall in prices, look for product prices to follow suit.

As of now, however, there's little sign of any sharp copper

## The Stockpile Outlook

**Washington**—Official concern over the outlook for settling the nation's copper strike and increasing complaints of materials shortages has revived talk of releasing over 100,000 tons from government stockpiles.

When Office of the Civil and Defense Mobilization (O.C.D.M.) considered copper stock sales last spring, violent adverse reaction from mining-state senators and a near-panic in world markets squelched the idea.

Now the picture has changed. O.C.D.M. and congressional staffers are conferring regularly to fix a formula for disposal sales—if as and when a White House okay seems imminent.

Here is what the mining bloc on Capitol Hill has indicated it would go along with:

Release of up to 125,000 tons of copper from the so-called Defense Production Act inventory of 1,366,000 tons—up from a 100,000 ton figure proposed previously. This is a move that would not legally require formal congressional authorization.

But Western senators are insisting on qualifying conditions. First, that the sales be made only after the strike is settled, to prime the "pipelines" of normal commercial supply. Second, that sales be phased out over an interim period, but end when producers get back into full production.

Finally, they say that should any copper be sold before the end of the strike, it be sold only if there is an "international emergency" of short supply.

break—except for the merchant price which reflects day-to-day developments of copper wage negotiations.

The merchant or dealer price, which is always most volatile, will probably settle back close to the custom smelter and producer levels. Indeed, it's already trending in that direction.

But it still has a long way to go. For it's starting from the recent peak of 40¢.

It's interesting to analyze how it ever got that high. Most im-

portant, is the demand factor. These dealers have been virtually the only source of supply for many buyers. Based on market conditions alone it's easy to understand the sharp rise in prices for the red metal.

But costs also enter into this price. Much of the dealer copper has been obtained from Europe at about 35 to 36¢ a lb. When these dealers added a 1.7¢ import duty and 1¢ ocean freight charge, their costs were pretty close to the 40¢ level.

## Mill Product Increases

From July 15 to Present

	SHEET		WIRE		RODS	
	Current ¢ per lb.	% incr.	Current ¢ per lb.	% incr.	Current ¢ per lb.	% incr.
BRASS .....	50.57	7.0	50.86	6.4	50.26	6.5
Yellow brass .....	52.07	7.0	52.36	6.4	51.76	6.5
Best quality brass....	53.53	7.0	53.82	6.4	53.22	6.5
Red brass (80%).....	54.58	7.0	54.87	6.4	54.27	6.5
Red brass (85%).....	56.17	6.9	56.46	6.3	55.86	6.4
Com'l bronze (90%)..	57.23	6.9	57.52	3.6	56.92	6.4
Guilting metal						
COPPER (lb., f.o.b. mill)			% increase		Current ¢ per lb.	
Sheet over 20".....			5.5		57.13	
Rolls, 20" and under.....			8.1		56.41	
Wire, bare, carloads.....			8.5		38.35	

## State Purchasers Launch Identical Bid Attack

(Continued from page 1)  
Connecticut and chairman of the N.A.S.P.O. committee on competition in governmental purchasing, disclosed the results of an inquiry to all states on what areas they frequently received identical bids.

The survey revealed 11 items often affected by matched prices:

Aluminum and aluminum alloy basic shapes and forms (8 states). Calcium chloride (18 states). Cement (12 states). Chlorine (7 states). Corrugated metal pipe (6 states). Electric lamps (10 states). Laboratory apparatus (8 states). Sodium chloride (13 states). Steel basic shapes and forms (10 states). Tires and tubes (14 states). Typewriters (16 states).

Magnuson's committee now is

asking further information from state purchasing officials to develop evidence of:

1. Bid rotation.
2. Sharing the business.
3. Collusive bidding.
4. Any other form of joint action by suppliers.

The data, which will be turned over to the Justice Department's Antitrust Division, is expected to contain details on delivered, zone, and basing point pricing systems.

The committee also expects to point out instances where identical bidders offer prices which include so-called "equalized" freight rates or competitive allowance to bring them within the identical bid price structure.

"We are working very closely with the Justice Department to-

ward this end," Magnuson told PURCHASING WEEK.

"The department attorneys are strongly behind us in our efforts to eliminate this serious problem of identical bids wherever it crops up," he added.

Another problem—foreign competition—also was hashed out at the four-day convention. While opinions were divided on the merits of buying foreign goods, many state P.A.'s felt the Federal Government should establish some firm policy.

The effects of the lengthy steel strike also came up. A number of N.A.S.P.O. members, now in the process of letting contracts for new cars, said some dealers were hinting that auto manufacturers may not be able to promise firm prices and definite delivery dates.

## Late News in Brief

**Detroit**—Ford jumped at the opportunity to gain ground on steel-starved General Motors last week by killing off its Edsel. "Disappointing" sales of Edsel's 1960 models (while other Ford lines were sailing along 40% above last year's sales during first 10 days of November) prompted the company's decision. Now valuable steel tonnage is freed for the fast-moving lines. Total cost of the three-year Edsel venture has been estimated at above \$250 million.

**Washington**—Residual fuel oil supplies will become more plentiful early in 1960. Interior Secretary Fred Seaton indicated last week he will increase the allowable level of imported residual—used mainly for industrial heating—probably by Jan. 1 from 100,000 to 200,000 bbl. a day. The proposed increase is expected to help maintain present price levels.

**Washington**—Priorities will remain in effect after Jan. 1 on steel shipments to missile manufacturers, producers of nuclear-powered naval vessels, and missile launching site builders, the Commerce Department said late last week.

**Washington**—The General Services Administration will crack down on prime and subcontractors who invoke the 5th Amendment in congressional investigations. A new G.S.A. prime contract provision provides for contract cancellation and blacklisting of non-cooperating firms.

**San Francisco**—Small quantity buyers of aluminum got a price break from a number of warehouse suppliers on the West Coast last week. Warehouses in Los Angeles and San Francisco eliminated differentials on orders of sheets, plates, and bars totaling less than 5,000 lb.

The move appeared aimed at stimulating demand in an industry where over-capacity is a serious problem (see P.W. Nov. 9, '59, p. 3). A sample reduction: Buyers of 1-in. aluminum bars in under 5,000-lb. quantities now can get them for 64.4¢ a lb. Previous range on the smallest lots formerly was as high as \$1.62 a lb.

## Uncle Sam Predicts Inventory Rise

(Continued from page 1)  
generally that Gross National Product, the total output of goods and services, would be around \$500 billion or possibly a little more, compared with total G.N.P. this year of about \$480 billion.

Nathan Koffsky, the Agriculture Department's top economic expert, and Dr. Gerhard Colm of the National Planning Association, agreed with Paradiso that inventory buying would take a sharp upsurge next year.

The experts felt generally that the buying would remain heavy through the first half of the year and then taper off noticeably the second half as the economy itself slows down some. The experts based their predictions on the assumption that consumer sales would take a sharp rise next year, creating big demands.

Paradiso, who oversees preparation of the government's inventory statistics for the Commerce Department, noted that inventories were being liquidated in the third quarter of this year, especially in the purchases of new materials.

As a result, he says, "inventories are just not adequate to support a higher level of sales. Inventory-sales ratios are low in line after line, no matter what measure is used."

Paradiso sees this heavy inventory demand in the first half of the year as producing a "very positive and important factor" to push the economy ahead.

But because of the big demand for industrial goods and the strains all this coming at once will place on the economy, he believes the full potentialities for inventory buying may not be achieved.

He lists these possible adverse

factors: lengthier delivery times, high interest rates, availability of money and short stocks of supplies in many lines.

Not only will industrial buying be high next year, according to experts, but buying in general will be up. Consumer buying is expected to show a big increase in durable goods, though non-durable consumer spending will remain at not much above present levels.

And governments at all levels—federal, state, and local—will be an important plus factor. Total government purchases of goods and services next year is put at about \$100 billion.

Another important area of buying will be for new capital plant and equipment. Dr. Colm believes capital investment may exceed the level of more than \$37 billion now forecast (see P.W., Nov. 16, '59, p. 1), which is second only to 1957. A stepup as indicated by Colm would have capital spending reach a new record high in 1960.

One area in which the experts split noticeably was whether the higher levels of economic activity next year still were enough to reduce unemployment. Colm and Dr. Lewis Bassie of the University of Illinois thought that 1960 would be another year of inadequate U. S. growth and that unemployment would not be cut down. Paradiso also was not sure of any reductions, but Koffsky felt that there would be enough business prosperity to absorb more of the unemployed in the coming year.

The conference also produced the first public government outlook on the supply and price outlook of agricultural commodities, many of which are important in industrial use.



Walter L. Jacobs (seated), President and General Manager, and Donald A. Petrie, Vice President for Administration, of The Hertz Corporation.

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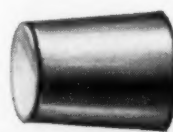
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